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FEDERAL REGISTER

VOLUME 27 NUMBER 210

Washington, Saturday, October 27, 1962

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Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Post Office Department

Effective upon publication in the FEDERAL REGISTER, subparagraph (11) is added to paragraph (a) of § 6.109 as set out below.

§ 6.109 Post Office Department.

(a) *General.* * * *

(11) One additional Assistant to the Boston Regional Director.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] DAVID F. WILLIAMS,
Director,
Bureau of Management Services.

[F.R. Doc. 62-10755; Filed, Oct. 26, 1962; 8:45 a.m.]

Title 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[1962 C.C.C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 1, Corn]

PART 421—GRAINS AND RELATED COMMODITIES

Subpart—1962-Crop Corn Loan and Purchase Agreement Program

SUPPORT RATES

Correction

In F.R. Doc. 62-10378, appearing at page 10203 of the issue for Thursday, October 18, 1962, in the tabular material under § 421.1312(c), the county reading "Harson" in the listing for South Dakota, should read "Hanson".

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Grapefruit Reg. 17]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.342 Grapefruit Regulation 17.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905 as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of all grapefruit, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on October 23, 1962, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Grapefruit (§§ 51.750–51.783 of this title; 26 F.R. 163).

(2) During the period beginning at 12:01 a.m., e.s.t., October 29, 1962, and ending at 12:01 a.m., e.s.t., November 12, 1962, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any grapefruit, grown in the production area, which do not grade at least U.S. No. 1 Russet;

(ii) Any seeded grapefruit, grown in the production area, which are smaller than $3\frac{15}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seeded grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in said United States Standards for Florida Grapefruit; or

(iii) Any seedless grapefruit, grown in the production area, which are smaller than $3\frac{9}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of seedless grapefruit smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in said United States Standards for Florida Grapefruit.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: October 24, 1962.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62-10807; Filed, Oct. 26, 1962; 8:47 a.m.]

[Orange Reg. 17]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.343 Orange Regulation 17.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of oranges, except Temple oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making pro-

cedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, except Temple oranges, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on October 23, 1962, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of oranges, except Temple oranges, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Oranges and Tangelos (§§ 51.1140–51.1178 of this title; 25 F.R. 8211).

(2) During the period beginning at 12:01 a.m., e.s.t., October 29, 1962, and ending at 12:01 a.m., e.s.t., November 12, 1962, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any oranges, except Temple oranges, grown in the production area, which do not grade at least U.S. No. 1 Russet; or

(ii) Any oranges, except Temple oranges, grown in the production area, which are of a size smaller than 2$^{8}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Oranges and Tangelos: *Provided,* That in determining the percentage of oranges in any lot which are smaller than 2$^{8}/_{16}$ inches in diameter, such percentage shall be based only on those oranges in such lot which are of a size 2$^{14}/_{16}$ inches in diameter or smaller.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: October 24, 1962.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62–10811; Filed, Oct. 26, 1962; 8:47 a.m.]

[Tangerine Reg. 5]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.344 Tangerine Regulation 5.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of tangerines, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of tangerines, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on October 23, 1962, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangerines; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangerines, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, and standard pack, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Tangerines (§§ 51.1810–51.1834 of this title).

(2) During the period beginning at 12:01 a.m., e.s.t., October 29, 1962, and ending at 12:01 a.m., e.s.t., November 12, 1962, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any tangerines, grown in the production area, that do not grade at least U.S. No. 1; or

(ii) Any tangerines, grown in the production area, which are smaller than 2$^{8}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of tangerines smaller than such minimum size shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Tangerines.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: October 24, 1962.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62–10810; Filed, Oct. 26, 1962; 8:47 a.m.]

[Tangelo Reg. 5]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.345 Tangelo Regulation 5.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available

information, it is hereby found that the limitation of shipments of tangelos, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of tangelos, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on October 23, 1962, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangelos; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangelos, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Oranges and Tangelos (§§ 51.1140–51.1178 of this title).

(2) During the period beginning at 12:01 a.m., e.s.t., October 29, 1962, and ending at 12:01 a.m., e.s.t., November 12, 1962, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any tangelos, grown in the production area, which do not grade at least U.S. No. 1 Russet; or

(ii) Any tangelos, grown in the production area, which are of a size smaller than 2$\frac{7}{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of tangelos smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Oranges and Tangelos.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: October 24, 1962.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62–10809; Filed, Oct. 26, 1962; 8:47 a.m.]

[Lemon Reg. 42]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.342 Lemon Regulation 42.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910, 27 F.R. 8346), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the past week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on October 17, 1962.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., October 28, 1962, and ending at 12:01 a.m., P.s.t., October 27, 1963, no handler shall handle any lemons, grown in District 1, District 2, or District 3, which are of a size smaller than 1.82 inches in diameter, which shall be the largest measurement at right angles to a straight line running from the stem to the blossom end of the fruit: *Provided,* That not to exceed 5 percent, by count, of the lemons in any type of container may measure less than 1.82 inches in diameter.

(2) As used in this section, "handle," "handler," "District 1," "District 2," and "District 3" shall have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: October 24, 1962.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 62–10808; Filed, Oct. 26, 1962; 8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 62–EA–59]

PART 600—DESIGNATION OF FEDERAL AIRWAYS

PART 601—DESIGNATION OF CONTROLLED AIRSPACE, REPORTING POINTS, POSITIVE CONTROL ROUTE SEGMENTS, AND POSITIVE CONTROL AREAS

Alteration and Designation of Federal Airways and Associated Control Areas; Alteration of Control Area Extension

On September 19, 1962, a notice of proposed rule making was published in the FEDERAL REGISTER (27 F.R. 9261) stating that the Federal Aviation Agency proposed to alter the airway structure in the Washington, D.C., Metropolitan area.

The Air Transport Association of America concurred with the proposed amendments provided that the segment of VOR Federal airway No. 140 to be realigned could be renumbered and retained as an airway for an alternate route between Washington and points northeast. The FAA has reviewed the ATA proposal and agreed that such an airway could be used to advantage with-

out compromise to the revised Washington air traffic control procedures. Accordingly, action is taken herein to designate VOR Federal airway No. 476 from the Washington VOR via the Baltimore, Md., VORTAC to the Millville, N.J., VOR. No other comments were received.

As stated in the notice, it was proposed to designate VOR Federal airway No. 3 in part from Brooke, Va., to Westminster, Md., and reduce its width to 8 miles between Brooke and a point west of Washington. Subsequent to publication of the notice it has been determined that the segment from a point west of Washington to Westminster should also be reduced to an 8-mile wide airway to provide adequate separation between aircraft executing the revised jet aircraft penetration procedure at Andrews AFB and aircraft executing holding procedures at the Unity Intersection (intersection of the Westminster VOR 195° and the Baltimore VORTAC 278° True radials). Accordingly, action is taken herein to designate the segment of Victor 3 between Brooke and Westminster as an 8-mile wide airway.

VOR Federal airway No. 3 as designated required prior approval before use of the portion within R–6608, and VOR Federal airway Nos. 140, 143, 144, and 174 as proposed in the notice exclude the airspace within R–6608. In Airspace Docket No. 62–EA–71, effective on October 18, 1962, action is taken to alter R–6608 to the extent that conflict with the airways has been eliminated. Accordingly, action is taken herein to delete mention of R–6608 in the descriptions of Victors 3, 140, 144, 143, and 174.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

The substance of the proposed amendments having been published, therefore, pursuant to the authority delegated to me by the Administrator (25 F.R. 12582) and for the reasons stated herein and in the notice, the following actions are taken:

1. Section 600.6003 (14 CFR 600.6003, 27 F.R. 1160, 7386) is amended as follows:

a. In the caption "to Springfield, Va., and Riverdale, Md.," is deleted.

b. In the text "Brooke, Va., VORTAC; to the INT of the Brooke VORTAC 011° and the Herndon, Va., VORTAC 144° radials. From the INT of the Baltimore, Md., VORTAC 224° and the Westminster, Md., VOR 179° radials via the Westminster VOR; Point of INT of the West Chester VOR 253° radial with the Lancaster, Pa., VOR direct radial to the Baltimore, Md., VOR; West Chester, Pa., VOR;" is deleted and "Brooke, Va., VORTAC, 8-mile wide airway via the INT of the Brooke VORTAC 014° and the Westminster, Md., VOR 195° radials; to the Westminster VOR; thence via the INT of the Westminster VOR 065° and the West Chester, Pa., VORTAC 250° radials; West Chester VORTAC;" is substituted therefor. "The portion of this airway which lies within the geographic limits of, and between the designated altitudes of, the Quantico Restricted Area (R–37) shall be used only after obtaining prior approval from the Federal Aviation Agency Air Traffic Control." is deleted.

2. Section 600.6004 (14 CFR 600.6004, 27 F.R. 1595, 4809, 6672, 7983, 8614) is amended as follows:

a. In the caption "to Doncaster, Va." is deleted and "to Herndon, Va." is substituted therefor.

b. In the text "Herndon, Va., VORTAC to the INT of the Herndon VORTAC 144° and the Washington, D.C., VOR 189° radials," is deleted and "to the Herndon, Va., VORTAC," is substituted therefor.

3. In the text of § 600.6008 (14 CFR 600.6008, 27 F.R. 3378) all after "Indian Head, Pa., VOR;" is deleted and "Martinsburg, W. Va., VORTAC; INT of the Herndon, Va., VORTAC 048° and the Washington, D.C., VOR 324° radials; to the Washington VOR, including an N alternate from the INT of the Martinsburg VORTAC 297° and the Grantsville, Md., VOR 086° radials, via the Hagerstown, Md., VOR, to the INT of the Washington VOR 324° and the Herndon VORTAC 048° radials." is substituted therefor.

4. In the text of § 600.6016 (14 CFR 600.6016, 27 F.R. 467, 4734, 5862, 4244, 8011, 8946) "Nottingham, Md., VOR; Kenton, Del., VOR; Millville, N.J., VOR;" is deleted and "Nottingham, Md., VOR, 8-mile wide airway to the Kenton, Del., VORTAC; thence via the Millville, N.J., VOR;" is substituted therefor.

5. In the text of § 600.6039 (14 CFR 600.6039) "Gordonsville, Va., VOR; Casanova, Va., VOR; Herndon, Va., VOR;" is deleted and "Gordonsville, Va., VORTAC; INT of the Gordonsville VORTAC 019° and the Casanova, Va., VORTAC 201° radials; Casanova VORTAC; Herndon, Va., VORTAC, including an E alternate from the Gordonsville VORTAC to the Herndon VORTAC via the INT of the Herndon VORTAC 202° and the Brooke, Va., VORTAC 300° radials;" is substituted therefor.

6. Section 600.6092 (14 CFR 600.6092, 27 F.R. 3378) is amended as follows:

a. In the caption "to Washington, D.C." is deleted and "to Front Royal, Va." is substituted therefor.

b. In the text "Front Royal, Va., VOR; INT of the Front Royal VOR 112° and the Washington, D.C., VOR 245° radials; to the Washington VOR." is deleted and "to the Front Royal, Va., VOR." is substituted therefor.

7. Section 600.6093 (14 CFR 600.6093, 27 F.R. 7564) is amended as follows:

a. In the caption "Baltimore, Md.," is deleted and "Patuxent River, Md.," is substituted therefor.

b. In the text "From the Baltimore, Md., VORTAC via the" is deleted and "From the Patuxent River, Md., VOR via the INT of the Patuxent River VOR 013° and the Baltimore, Md., VORTAC 122° radials; Baltimore VORTAC;" is substituted therefor, and at the end of the text "The airspace within R–4005, R–4006, and R–4007 is excluded." is added.

8. Section 600.6123 (14 CFR 600.6123, 27 F.R. 7386) is amended to read:

§ 600.6123 VOR Federal airway No. 123 (Washington, D.C., to Westfield, Mass.).

From the Washington, D.C., VOR via the Andrews AFB, Md., VOR; INT of the Andrews AFB VOR 061° and the Baltimore, Md., VORTAC 097° radials; thence 11-mile wide airway via the Woodstown, N.J., VOR 231° radial to 45 nautical miles from the Woodstown VOR; thence via the Woodstown VOR; INT of the Pottstown, Pa., VOR 104° and the Robbinsville, N.J., VOR 239° radials; Robbinsville VOR; INT of the Solberg, N.J., VORTAC 110° and the Idlewild, N.Y., VORTAC 232° radials; La Guardia, N.Y., VOR; INT of the La Guardia VOR 034° and the Riverhead, N.Y., VORTAC 289° radials; Trinity, N.Y., VOR; INT of the Trinity VOR 031° and the Poughkeepsie, N.Y., VOR 099° radials; to the Westfield, Mass., VOR. The airspace within R–4003 shall be used only after obtaining prior approval from the appropriate authority.

9. In the text of § 600.6140 (14 CFR 600.6140, 27 F.R. 4734, 7386), all after "Casanova, Va., VORTAC;" is deleted and "INT of the Herndon, Va., VORTAC 185° and the Linden, Va., VORTAC 104° radials; Washington, D.C., VOR; Andrews AFB, Md., VOR; INT of the Andrews AFB VOR 061° and the Baltimore Md., VORTAC 097° radials (Rockhall INT); INT of the Woodstown, N.J., VOR 231° and the Millville, N.J., VOR 255° radials (11-mile wide airway from the Rockhall INT to 45 nautical miles from the Woodstown, N.J., VOR); Millville, N.J., VOR; Coyle, N.J., VORTAC; INT of the Coyle VORTAC 031° and the Colts Neck, N.J., VOR 179° radials; Colts Neck VOR; to the INT of the Colts Neck VOR 335° and the Solberg, N.J., VORTAC 110° radials. The airspace within R–4003 shall be used only after obtaining prior approval from the appropriate authority." is substituted therefor.

10. Section 600.6143 (14 CFR 600.6143, 27 F.R. 8305) is amended to read:

§ 600.6143 VOR Federal airway No. 143 (Fort Mill, S.C., to Nottingham, Md.).

From the Fort Mill, S.C., VOR via the Greensboro, N.C., VOR, including a W alternate via the INT of the Fort Mill VOR 005° and the Greensboro VOR 238° radials; Lynchburg, Va., VORTAC; Montebello, Va., VOR; INT of the Montebello VOR 031° and the Casanova, Va., VORTAC 267° radials; Casanova, VORTAC; INT of the Herndon, Va., VORTAC 185° and the Linden, Va., VORTAC 104° radials; to the Nottingham, Md., VOR.

11. Section 600.6144 (14 CFR 600.6144) is amended as follows:

a. In the caption "Washington, D.C." is deleted and "Manassas, Va." is substituted therefor.

b. In the text, all after "Kessel, W. Va., VOR;" is deleted and "Linden, Va., VORTAC; to the INT of the Linden VORTAC 104° and the Herndon, Va., VORTAC 185° radials." is substituted therefor.

12. Section 600.6155 (14 CFR 600.6155) is amended as follows:

a. In the caption "Washington, D.C." is deleted and "Front Royal, Va." is substituted therefor.

b. In the text, all after "Flat Rock, Va., VOR;" is deleted and "Gordonsville, Va., VORTAC; Linden, Va., VORTAC; to the Front Royal, Va., VOR. The airspace within R-6602 is excluded." is substituted therefor.

13. In the text of § 600.6157 (14 CFR 600.6157, 27 F.R. 562, 4151, 7386) "to the Washington, D.C., VOR," is deleted and "to the Washington, D.C., VOR (8-mile wide airway from the INT of the Brooke VORTAC 132° and the Washington VOR 189° radials to the Washington VOR)," is substituted therefor.

14. Section 600.6174 (14 CFR 600.6174) is amended as follows:

a. In the caption "Washington, D.C." is deleted and "Manassas, Va." is substituted therefor.

b. In the text, all after "Elkins, W. Va., VORTAC;" is deleted and "Linden, Va., VORTAC; to the INT of the Linden VORTAC 104° and the Herndon, Va., VORTAC 185° radials." is substituted therefor.

15. Section 600.6222 (14 CFR 600.6222) is amended as follows:

a. In the caption "Nottingham, Md." is deleted and "Grubbs, Va." is substituted therefor.

b. In the text, all after "Gordonsville, Va., VORTAC;" is deleted and "to the INT of the Gordonsville VORTAC 076° and the Brooke, Va., VORTAC 132° radials (11-mile airway from 45 nautical miles from the Gordonsville VORTAC to the INT of the Gordonsville VORTAC 076° and the Brooke VORTAC 132° radials). The airspace within R-6601 shall be used only after obtaining prior approval from the appropriate authority." is substituted therefor.

16. Section 600.6223 (14 CFR 600.6223) is amended to read:

§ 600.6223 VOR Federal airway No. 223 (Flat Rock, Va., to Harrisburg, Pa.).

From the Flat Rock, Va., VORTAC via the INT of the Brooke, Va., VORTAC 300° and the Herndon, Va., VORTAC 202° radials (Brandy INT) (12-mile wide airway from 45 nautical miles from the Flat Rock VORTAC to the Brandy INT); Herndon VORTAC; to the Harrisburg, Pa., VORTAC.

17. Section 600.6265 (14 CFR 600.6265) is amended as follows:

a. In the caption "Westminster, Md.," is deleted and "Riverdale, Md.," is substituted therefor.

b. In the text "From the Westminster, Md., VOR via the" is deleted and "From the INT of the Baltimore, Md., VORTAC 224° and the Westminster, Md., VOR 179° radials; Westminster VOR;" is substituted therefor.

18. In the text of § 600.6268 (14 CFR 600.6268, 27 F.R. 7387, 8174) all before "Westminster, Md., VOR;" is deleted and "From the INT of the Grantsville, Md., VOR 086° and the Martinsburg, W. Va., VORTAC 297° radials; Hagerstown, Md., VOR;" is substituted therefor.

19. Section 600.6286 (14 CFR 600.6286, 27 F.R. 4150) is amended to read:

§ 600.6286 VOR Federal airway No. 286 (Linden, Va., to Cape Charles, Va.).

From the Linden, Va., VORTAC via the Casanova, Va., VORTAC; INT of Herndon, Va., VORTAC 202° and the Brooke, Va., VORTAC 300° radials; Brooke VORTAC; to the Cape Charles, Va., VOR.

20. Section 600.6433 (27 F.R. 7387) is amended to read:

§ 600.6433 VOR Federal airway No. 433 (Washington, D.C., to Saybrook, Conn.).

From the Washington, D.C., VOR via the Andrews, AFB, Md., VOR; INT of the Andrews, AFB VOR 061° and the Baltimore, Md., VORTAC 097° radials; New Castle, Del., VORTAC; Yardley, Pa., VOR; INT of the Yardley VOR 059° and the La Guardia, N.Y., VOR 231° radials; La Guardia VOR; Trinity, N.Y., VOR; to the INT of the Trinity VOR 093° and the Norwich, Conn., VORTAC 227° radials. The airspace within R-4003 shall be used only after obtaining prior approval from the appropriate authority.

21. In Part 600 (14 CFR 600) the following section is added.

§ 600.6476 VOR Federal airway No. 476 (Washington, D.C., to Millville, N.J.).

From the Washington, D.C., VOR via the Baltimore, Md., VORTAC; to the Millville, N.J., VOR. The airspace within R-4001 shall be used only after obtaining prior approval from the appropriate authority.

22. In the text of § 600.6837 (14 CFR 600.6837, 27 F.R. 7387) "Nottingham, Md., VOR; Kenton, Del., VORTAC;" is deleted and "Nottingham, Md., VOR, 8-mile wide airway to the Kenton, Del., VORTAC; thence via the" is substituted therefor.

23. In the text of § 600.6855 (14 CFR 600.6855, 27 F.R. 3378) "INT of the Washington VOR 321° and the Martinsburg, W. Va., VORTAC 119° radials;" is deleted and "INT of the Washington VOR 324° and the Herndon VORTAC 048° radials;" is substituted therefor.

24. In the text of § 600.6875 (14 CFR 600.6875, 27 F.R. 467, 4244, 4734, 7387, 8011) "INT of the Lancaster, Pa., VOR 197° True and the Westminster, Md., VOR 060° True radials;" is deleted and "INT of the West Chester VORTAC 250° and the Westminster, Md., VORTAC 065° radials;" is substituted therefor.

25. In the text of § 600.6885 (14 CFR 600.6885, 27 F.R. 7387) all before "Millville, N.J., VOR;" is deleted and "From the Washington, D.C., VOR via the Andrews AFB, Md., VOR; INT of the Andrews AFB VOR 061° and the Baltimore, Md., VORTAC 097° radials; INT of the Baltimore VORTAC 097° and the Kenton, Del., VORTAC 242° radials; thence 8-mile wide airway to the Kenton VORTAC; thence via the" is substituted therefor.

26. In the text of § 601.1378 (14 CFR 601.1378) "and the S by VOR Federal airway No. 123, on the W by VOR Federal airway No. 123," is deleted and "on the S and W by VOR Federal airway No. 157" is substituted therefor.

27. In the caption of § 601.6003, (14 CFR 601.6003) "to Springfield, Va., and Riverdale, Md.," is deleted.

28. In the text of § 601.6004 (14 CFR 601.6004) "Doncaster, Va." is deleted and "Herndon, Va." is substituted therefor.

29. Section 601.6039 (14 CFR 601.6039) is amended to read:

§ 601.6039 VOR Federal airway No. 39 control areas (Pinehurst, N.C., to United States-Canadian Border).

All of VOR Federal airway No. 39 including an E alternate.

30. In the caption of § 601.6092 (14 CFR 601.6092) "Washington, D.C." is deleted and "Front Royal, Va." is substituted therefor.

31. In the caption of § 601.6093 (14 CFR 601.6093) "Baltimore, Md.," is deleted and "Patuxent River, Md.," is substituted therefor.

32. In the caption of § 601.6143 (14 CFR 601.6143, 27 F.R. 8305) "Casanova, Va." is deleted and "Nottingham, Md." is substituted therefor.

33. In the caption of § 601.6144 (14 CFR 601.6144) "Washington, D.C." is deleted and "Manassas, Va." is substituted therefor.

34. In the caption of § 601.6155 (14 CFR 601.6155) "Washington, D.C." is deleted and "Front Royal, Va." is substituted therefor.

35. In the caption of § 601.6174 (14 CFR 601.6174) "Washington, D.C." is deleted and "Manassas, Va." is substituted therefor.

36. In the caption of § 601.6222 (27 F.R. 9250) "Nottingham, Md." is deleted and "Grubbs, Va." is substituted therefor.

37. In the caption of § 601.6223 (14 CFR 601.6223) "Herndon, Va.," is deleted and "Flat Rock, Va.," is substituted therefor.

38. In the caption of § 601.6265 (14 CFR 601.6265) "Westminster, Md.," is deleted and "Riverdale, Md.," is substituted therefor.

39. In the caption of § 601.6286 (14 CFR 601.6286) "Front Royal, Va.," is deleted and "Linden, Va.," is substituted therefor.

40. In the caption of § 601.6433 (14 CFR 601.6433, 27 F.R. 7389) "New Castle, Del.," is deleted and "Washington, D.C.," is substituted therefor.

41. In Part 601 (14 CFR 601) the following section is added:

§ 601.6476 VOR Federal airway No. 476 control areas (Washington, D.C., to Millville, N.J.).

All of VOR Federal airway No. 476.

These amendments shall become effective 0001 e.s.t. December 13, 1962.

(Sec. 307(a), 72 Stat., 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on October 22, 1962.

W. THOMAS DEASON,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 62-10760; Filed, Oct. 26, 1962; 8:45 a.m.]

[Airspace Docket No. 62-SW-47]

PART 601—DESIGNATION OF CONTROLLED AIRSPACE, REPORTING POINTS, POSITIVE CONTROL ROUTE SEGMENTS, AND POSITIVE CONTROL AREAS

Revocation of Control Zone

The purpose of this amendment to § 601.1984 of the regulations of the Administrator is to revoke the Otto, N. Mex., control zone.

Weather reporting service is no longer available at the Otto FAA Intermediate Field. Therefore, action is taken herein to revoke the Otto control zone.

Since the change effected by this amendment is less restrictive in nature than present requirements, and imposes no additional burden on any person, notice and public procedure hereon are unnecessary and it may be made effective immediately.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 12582), the following action is taken:

In the text of § 601.1984 (14 CFR 601.1984) "Otto, N. Mex.: FAA Intermediate Field." is deleted.

This amendment shall become effective upon the date of publication in the FEDERAL REGISTER.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on October 22, 1962.

W. THOMAS DEASON,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 62-10759; Filed, Oct. 26, 1962; 8:45 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER C—DRUGS

PART 147—ANTIBIOTICS INTENDED FOR USE IN THE LABORATORY DIAGNOSIS OF DISEASE

Phenethicillin Potassium

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357) and delegated to the Commissioner of Food and Drugs by the Secretary (25 F.R. 8625), the regulations for antibiotic and antibiotic-containing drugs (21 CFR Part 147) are amended as follows:

1a. In § 147.1 *Antibiotic sensitivity discs; tests and methods of assay; potency,* paragraph (c) (3) is amended by inserting in the table following the item "Penicillin G", the following new item:

Antibiotic	Volume of suspension added to each 100 ml. of seed agar used for test	Suspension number	Medium	
			Base layer	Seed layer
* * *	*Ml.* * * *	* * *	* * *	* * *
Phenethicillin potassium.	1.0	3	E	A

b. Paragraph (d) is amended by inserting in the table, following the item "Penicillin G", the following new item:

Antibiotic	Solvent	Standard curve (antibiotic concentration per disc)
* * *	* * *	* * *
Phenethicillin potassium.	Water-----	1.3, 2.4, 4.4, 8.1, 15.0 units.

2a. In § 147.2 *Antibiotic sensitivity discs; certification procedure,* paragraph (a) is amended by inserting in the first sentence, preceding "streptomycin", the word "phenethicillin", and by adding to the paragraph a new subparagraph (11), as follows:

(11) Phenethicillin potassium: 3 units.

b. Paragraph (c) (1) (iii) (*a*) is amended to read as follows:

(*a*) For penicillin G, methicillin, oxacillin, and phenethicillin potassium: 6 months, except 12 months may be used if the person who requests certification has submitted to the Commissioner results of tests and assays showing that such drug as prepared by him is stable for such time.

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since the amendments are noncontroversial in nature and provide for changes in tests and methods of assay and certification for antibiotic sensitivity discs deemed necessary for the protection of the public health.

Effective date. This order shall become effective 30 days from the date of its publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357)

Dated: October 22, 1962.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 62-10775; Filed, Oct. 26, 1962; 8:46 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 204—DANGER ZONE REGULATIONS

PART 207—NAVIGATION REGULATIONS

Miscellaneous Amendments

1. The section heading and paragraph (b) of § 204.215 are revised to read as follows:

§ 204.215 San Pablo Bay, Calif.; target practice area, Mare Island Naval Shipyard, Vallejo.

* * * * *

(b) *The regulations.* The Commander, Mare Island Naval Shipyard, Vallejo, California, will conduct target practice in the area at intervals of which the public will be duly notified. At such times vessels shall stay clear.

2. In § 207.640, revise paragraphs (e) (3) (iv), (f) (2) (i), and (l) (2), as follows:

§ 207.640 San Francisco Bay, San Pablo Bay, Carquinez Strait, Suisun Bay, San Joaquin River, and connecting waters, Calif.

* * * * *

(e) *San Francisco Bay; seaplane restricted area, Naval Air Station, Alameda.* * * *

(3) *The regulations.* * * *

(iv) The regulations in this paragraph shall be enforced by the Commanding Officer, U.S. Naval Air Station, Alameda, California, and such agencies as he may designate.

(f) *San Francisco Bay and Oakland Inner Harbor; restricted areas in vicinity of Naval Air Station, Alameda.* * * *

(2) *The regulations.* (i) No vessel or other craft, except vessels of the United States Government or vessels duly authorized by the Commanding Officer, U.S. Naval Air Station, Alameda, California, shall navigate, anchor, or moor in the area described in subparagraph (1) (i) of this paragraph.

* * * * *

(l) *San Pablo Bay, Carquinez Strait, and Mare Island Strait in* vicinity of U.S. Naval Shipyard, Mare Island; restricted area. * * *

(2) *The regulations.* No vessel or other craft, except vessels of the United States Government or vessels duly authorized by the Commander, Mare Island Naval Shipyard, Vallejo, California, shall navigate, anchor, or moor in this area.

[Regs., Oct. 18, 1962, ENGCW-ON] (Sec. 4, 28 Stat. 362, as amended; 33 U.S.C. 1)

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 62-10756; Filed, Oct. 26, 1962; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS

Chapter 1—Federal Procurement Regulations

MISCELLANEOUS AMENDMENTS TO CHAPTER

Chapter 1 of Title 41 is amended as set forth below:

PART 1-2—PROCUREMENT BY FORMAL ADVERTISING

Subpart 1-2.2—Solicitation of Bids

1. Section 1-2.201 is amended to revise paragraph (a) (23) and to add paragraphs (a) (25), (b) (12) and (13) to read as follows:

§ 1–2.201 Preparation of invitations for bids.

* * * * *

(a) * * *

(23) Pending revision of paragraph 4 of the Terms and Conditions of the Invitation for Bids on the back of Standard Form 30 (October 1957 edition) and Standard Form 33 (October 1957 edition) and of paragraph 7 of Standard Form 22 (January 1961 edition), the following provision shall be substituted, as to each form, for the cited paragraph:

Late bids and modifications or withdrawals. (a) Bids and modifications or withdrawals thereof received at the office designated in the Invitation for Bids after the exact time set for opening of bids will not be considered unless: (1) They are received before award is made; and either (2) they are sent by registered mail or by certified mail for which an official dated post office stamp (postmark) on the original Receipt for Certified Mail has been obtained, or by telegraph if authorized, and it is determined by the Government that the late receipt was due solely to delay in the mails, or delay by the telegraph company, for which the bidder was not responsible; or (3) if submitted by mail (or by telegram if authorized), it is determined that the late receipt was due solely to mishandling by the Government after receipt at the Government installation: *Provided,* That timely receipt at such installation is established upon examination of an appropriate date or time stamp (if any) of such installation, or of other documentary evidence of receipt (if readily available) within the control of such installation or the post office serving it. However, a modification which makes the terms of the otherwise acceptable bid more favorable to the Government will be considered at any time it is received and may thereafter be accepted.

(b) Bidders using certified mail are cautioned to obtain a legibly postmarked dated Receipt for Certified Mail and retain it against the chance that the postmark thereon will be required as evidence that a late bid was timely mailed. If the postmark on such receipt, or on the registered mail wrapper, shows the hour of mailing as well as the date, the time of mailing shall be established accordingly; if it shows the date but not the hour, the time of mailing shall be deemed to be the last minute of the date shown unless the bidder furnishes evidence from the post office of mailing which, (1) in the case of registered mail, establishes an earlier time; or (2) in the case of certified mail, where the Receipt for Certified Mail identifies the post office station of mailing, establishes that the business day of that station ended at an earlier time, in which case the time of mailing shall be deemed to be the last minute of the business day of that station. If any such Receipt for Certified Mail does not show the date, the bid shall not be considered.

* * * * *

(25) A statement substantially as follows (prominently placed in the invitation):

Caution to bidders—Late bids. See the special provision entitled "Late Bids and Modifications or Withdrawals" which provides that late bids and modifications or withdrawals thereof sent through the mails ordinarily will be considered ONLY IF TIMELY MAILED BY REGISTERED MAIL OR BY CERTIFIED MAIL FOR WHICH A POSTMARKED RECEIPT HAS BEEN OBTAINED AS SPECIFIED IN SUCH PROVISION.

(b) * * *

(12) Any requirement for preproduction samples or tests, including a statement that the Government reserves the right to waive the requirement as to those bidders offering a product which has been previously procured or tested by the Government, and a statement that bidders offering such products, who wish to rely on such prior procurement or test, must furnish with the bid information from which it may be clearly established that prior Government approval is presently appropriate for the pending procurement.

(13) Pending revision of paragraph 6 of the Terms and Conditions of the Invitation for Bids on the back of Standard Form 30 (October 1957 edition) and Standard Form 33 (October 1957 edition), the following provision shall be substituted, as to each form, for the cited paragraph:

Labor information. If a contract resulting from this Invitation for Bids is subject to the Walsh-Healey Public Contracts Act, a minimum wage determination under the Act is applicable to all employees of the contractor who are engaged in the manufacture or furnishing of the supplies required under the contract. Information in this connection as well as general information regarding requirements of the Act concerning overtime payment, child labor, safety and health, etc., should be obtained from the Wage and Hour and Public Contracts Divisions, Department of Labor, Washington 25, D.C., or from any of the Divisions' offices throughout the various states. It is important that requests for information include the Invitation number, name and address of the issuing agency, and a description of the supplies.

Subpart 1–2.3—Submission of Bids

2. Section 1–2.302 is revised to read as follows:

§ 1–2.302 Time of bid submission.

Bids shall be submitted so as to be received in the office designated in the invitation for bids not later than the exact time set for opening of bids. Where telegraphic bids are authorized, a telegraphic bid received in such office by telephone from the receiving telegraph office not later than the time set for opening of bids shall be considered if such bid is confirmed by the telegraph company by sending a copy of the written telegram which formed the basis for the telephone call.

3. Section 1–2.303–2 is revised to read as follows:

§ 1–2.303–2 Consideration for award.

A late bid shall be considered for award only if:

(a) It is received before award; and either

(b) It was sent by registered mail or by certified mail for which an official dated post office stamp (postmark) on the original Receipt for Certified Mail has been obtained, or by telegraph if authorized, and it is determined that the lateness was due solely to a delay in the mails (based on evidence pursuant to § 1–2.303–3), or to a delay by the telegraph company, for which the bidder was not responsible; or

(c) If submitted by mail (or by telegram where authorized), it was received at the Government installation in sufficient time to be received at the office designated in the invitation by the time set for opening and, except for delay due to mishandling on the part of the Government at the installation, would have been received on time at the office designated. The only evidence acceptable to establish timely receipt at the Government installation is that which can be established upon examination of an appropriate date or time stamp (if any) of such installation, or of other documentary evidence of receipt (if readily available) within the control of such installation or the post office serving it.

4. Section 1–2.303–3 is revised to read as follows:

§ 1–2.303–3 Mailed bids.

(a) *Registered mail.* The time of mailing of a late bid mailed by registered mail shall be determined by the date, and hour if shown, in the postmark. If the postmark shows the date but not the hour of mailing, the time of mailing shall be deemed to be the last minute of the date shown unless the bidder furnishes evidence from the post office of mailing which establishes an earlier time. If the postmark does not show the date of mailing, the bid shall be deemed to have been mailed too late unless the bidder furnishes evidence from the post office of mailing which establishes a timely date.

(b) *Certified mail.* The time of mailing of a late bid for which a postmarked Receipt for Certified Mail was obtained shall be determined by the official post office stamp (postmark) on the original Receipt for Certified Mail, to be furnished by the bidder, showing the date of receipt by the post office at the time of mailing. If this postmark shows the hour of mailing as well as the date, the time of mailing shall be established accordingly; if it shows the date but not the hour, the time of mailing shall be deemed to be the last minute of the date shown, except that where the Receipt for Certified Mail identifies the post office station of mailing and the bidder furnishes evidence from the post office station of mailing that the business day of that station ended at an earlier time, the time of mailing shall be deemed to be the last minute of the business day of that station. If this postmark does not show the date of mailing, the bid shall be deemed to have been mailed too late.

(c) *Delivery time.* Information concerning the normal time for mail delivery shall be obtained by the procuring activity from the postmaster, superintendent of mails, or a duly authorized representative for that purpose, of the post office serving that activity. When time permits, such information shall be obtained in writing.

5. Section 1–2.303–4 is amended to add a reference to § 1–2.302. As amended, the section reads as follows:

§ 1–2.303–4 Telegraphic bids.

A late telegraphic bid shall be presumed to have been filed with the telegraph company too late to be received in time, except where the bidder demonstrates by clear and convincing evidence, which includes substantiation by an authorized official of the telegraph

company, that the bid, as received at the office designated in the invitation for bids, was filed with the telegraph company in sufficient time to have been delivered by normal transmission procedure so as not to have been late (see § 1–2.302).

6. Section 1–2.303–6 is revised to read as follows:

§ 1–2.303–6 Notification to late bidders.

Where a late bid is received and it is clear from available information that under § 1–2.303–2 such late bid cannot be considered, the contracting officer or his authorized representative shall promptly notify the bidder that his bid was received late and will not be considered (see also § 1–2.303–7). However, where a late bid is transmitted by registered mail and received before award but it is not clear from available information whether the bid can be considered, or in any case of a late bid transmitted by certified mail received before award, the bidder shall be promptly notified substantially as follows:

Your bid in response to Invitation for Bids No. ------, dated ----------, was received after the time for opening specified in the Invitation. Accordingly, your bid will not be considered for award unless (1) there is received from you by ----------; clear and convincing evidence from the post office of mailing which establishes the date (and hour, if possible) that the bid was deposited with that post office, and (2) it is determined by the Government that late receipt was due solely to a delay in the mail for which you are not responsible. In the case of certified mail, the original postmarked Receipt for Certified Mail must be furnished and is the only evidence acceptable under (1) above, except that, where the Receipt for Certified Mail identifies the post office station of mailing, evidence from such station of its closing time is also acceptable.

(Date)

The foregoing notification shall be appropriately modified in the case of late telegraphic bids.

7. Section 1–2.304 is revised to read as follows:

§ 1–2.304 Modification or withdrawal of bids.

(a) Bids may be modified or withdrawn by written or telegraphic notice received in the office designated in the invitation for bids not later than the exact time set for opening of bids. A telegraphic modification or withdrawal of a bid received in such office by telephone from the receiving telegraph office not later than the time set for opening of bids shall be considered if such message is confirmed by the telegraph company by sending a copy of the written telegram which formed the basis for the telephone call. Modifications received by telegram (including a record of those telephoned by the telegraph company) shall be sealed in an envelope by a proper official who shall write thereon the date and time of receipt and by whom, the invitation for bid number, and his signature. No information contained therein shall be disclosed before the time set for bid opening.

(b) A bid may be withdrawn in person by a bidder or his authorized representative, provided his identity is made known and he signs a receipt for the bid, but only if the withdrawal is prior to the exact time set for opening of bids.

8. Section 1–2.305 is revised to read as follows:

§ 1–2.305 Late modifications and withdrawals.

Modifications of bids and requests for withdrawal of bids which are received in the office designated in the invitation for bids after the exact time set for opening are "late modifications" and "late withdrawals," respectively. A late modification or late withdrawal shall be subject to the rules and procedures applicable to late bids set forth in § 1–2.303. However, a late modification of the otherwise acceptable bid shall be opened at any time it is received, and if in the judgment of the contracting officer it makes the terms of the bid more favorable to the Government, it shall be considered. In the case of late modifications and late withdrawals, the notice set forth in § 1–2.303–6 shall be appropriately modified.

PART 1–16—PROCUREMENT FORMS

Subpart 1–16.1—Forms for Advertised Supply Contracts

1. Section 1–16.101 is amended to revise paragraphs (b) and (e) to read as follows:

§ 1–16.101 Forms prescribed.

* * * * *

(b) Invitation and Bid (Supply Contract) (Standard Form 30, October 1957 edition). (Pending revision of this form, the provisions contained in § 1–2.201 (a) (23) and (b) (13) shall be substituted for paragraphs 4 and 6, respectively, of the Terms and Conditions of the Invitation for Bids on the back of the form.)

* * * * *

(e) Invitation, Bid, and Award (Supply Contract) (Standard Form 33, October 1957 edition). (Pending revision of this form, the provisions contained in § 1–2.201 (a) (23) and (b) (13) shall be substituted for paragraphs 4 and 6, respectively, of the Terms and Conditions of the Invitation for Bids on the back of the form.)

Subpart 1–16.4—Forms for Advertised Construction Contracts

2. Section 1–16.401 is amended to revise paragraph (e) to read as follows:

§ 1–16.401 Forms prescribed.

* * * * *

(e) Instructions to Bidders (Construction Contract) (Standard Form 22, January 1961 edition). (Pending revision of this form, the provision contained in § 1–2.201 (a) (23) shall be substituted for paragraph 7 of the form.)

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c))

Effective date. These regulations are effective January 2, 1963, but may be observed earlier.

Dated: October 23, 1962.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 62–10767; Filed, Oct. 26, 1962; 8:46 a.m.]

Chapter 9—Atomic Energy Commission

PART 9–7—CONTRACT CLAUSES

Subpart 9–7.50—Use of Standard Clauses

ESTIMATES OF COST, OBLIGATION OF FUNDS, AND FIXED FEE

Subpart 9–7.50 is amended as follows:

Section 9–7.5006–14 *Estimates of cost, obligation of funds, fixed fee,* is revised to read as follows:

§ 9–7.5006–14 Estimates of cost, obligation of funds, fixed fee.

(a) *Initial estimate of cost and fixed fee.* The presently estimated cost of the work under this contract is ------dollars ($------) exclusive of the Contractor's fixed fee. The Contractor's fixed fee, as set forth in Article ------ of this contract, is ------ dollars ($------). The sum of the foregoing two amounts, as the same may be revised from time to time in accordance with the provisions of this contract, shall comprise the amount obligated by the Government with respect to this contract.

(b) *Revised estimates of cost.* The presently estimated cost of the work under this contract may be increased unilaterally by the Commission by written notice to the Contractor and may be increased or decreased by written agreement of the parties (whether or not by formal modification of this contract).

(c) *Limitation of obligation.* Payments on account of costs shall not in the aggregate at any time exceed the amount of funds presently obligated hereunder less the Contractor's fixed fee.

(d) *Notice of costs approaching funds obligated—Contractor excused pending increase when obligation is reached.* Whenever the Contractor has reason to believe that the total cost of the work under this contract (exclusive of the Contractor's fixed fee) will be substantially greater or less than the presently estimated cost of the work the Contractor shall promptly notify the Contracting Officer in writing. The Contractor shall also notify the Contracting Officer in writing when the aggregate of expenditures and outstanding commitments allowable under this contract, including the Contractor's fixed fee, is equal to ninety percent (90%) (or such other percentage as the Contracting Officer may from time to time establish by notice to the Contractor) of the amount of funds presently obligated hereunder. When such expenditures and outstanding commitments, including the Contractor's fixed fee, equal one hundred percent (100%) of such amount the Contractor shall make no further commitments or expenditures (except to meet existing commitments) and shall be excused from further performance of the work unless and until the Contracting Officer thereafter shall increase the funds obligated with respect to this contract.

(e) *Government's right to terminate not affected.* The giving of any notice by either party under this article shall not be con-

strued to waive or impair any right of the Government to terminate the contract under the provisions of the clause entitled "Termination."

(f) *Cost information.* The Contractor shall maintain current cost information adequate to reflect the cost of performing the work under this contract at all times while the work is in progress, and shall prepare and furnish to the Government such written estimates of cost and information in support thereof as the Contracting Officer may request.

(g) *Correctness of estimates not guaranteed.* Neither the Government nor the Contractor guarantees the correctness of any estimate of cost for performance of the work under this contract, and there shall be no adjustment in the amount of the Contractor's fixed fee by reason of errors in the computation of estimates or differences between such estimates and the actual cost for performance of the work.

NOTE A: In the event that a particular contract cannot be fully funded for the total estimated cost of the work (plus the fee) contemplated by the contract (e.g., multiyear operating contracts and multiple phase contracts, where funds are not made available to the Contracting Officer for all of the years or phases involved), the following may be substituted for paragraph (a) above, in which case paragraph (d) above will also be changed as indicated below:

"(a) *Initial estimate of cost and fixed fee.* The presently estimated cost of the work under this contract for the period _____ is _____ dollars ($_____) exclusive of the Contractor's fixed fee. The Contractor's fixed fee, as set forth in Article _____ of this contract for the period _____, is _____ dollars ($_____). The sum of the foregoing two amounts, as the same may be revised from time to time in accordance with the provisions of this contract, shall comprise the amount obligated by the Government with respect to this contract." When this substitution is made the phrase "for the period _____" should be inserted after the phrase "the presently estimated cost of the work" in the first sentence of paragraph (d) above.

NOTE B: The substitutions prescribed in Note A for use in certain types of contractual situations assume that the phases of a multiple phase contract will be described by calendar periods. Where this is not the case changes in the substitute language should be made to appropriately identify the phases.

NOTE C: The following may be substituted as an alternative to the second sentence of (d) above:

"The Contractor shall also notify the Contracting Officer in writing when the aggregate of expenditures and outstanding commitments allowable under this contract, including the Contractor's fixed fee leaves available funds sufficient only to continue operations for forty-five (45) days."

(Sec. 161, 68 Stat. 948; 42 U.S.C. 2201; sec. 205, 63 Stat. 390; 40 U.S.C. 486)

Effective date. These regulations shall become effective 45 days following the date of publication in the FEDERAL REGISTER, but may be observed earlier.

Dated at Germantown, Md., this 19th day of October 1962.

For the Atomic Energy Commission.

JOHN V. VINCIGUERRA,
Director, Division of Contracts.

[F.R. Doc. 62-10754; Filed, Oct. 26, 1962; 8:45 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2805]

[Colorado 066555]

COLORADO

Revoking Certain Reclamation Withdrawals in Whole or in Part; Collbran Project

By virtue of the authority contained in section 3 of the Act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 416), it is ordered as follows:

1. The Departmental orders of December 15, 1942, and October 14, 1948, and the orders of the Bureau of Reclamation dated July 20, 1948, March 22, 1957, January 30, 1957, and October 6, 1958, concurred in by the Bureau of Land Management on October 22, 1948, September 15, 1958, June 11, 1957, and November 10, 1958, respectively, and any other order or orders which withdrew lands for reclamation purposes, are hereby revoked so far as they affect the following-described lands:

SIXTH PRINCIPAL MERIDIAN

T. 9 S., R. 93 W.,
Sec. 31, NE¼SW¼ and N½SE¼.
T. 10 S., R. 93 W.,
Sec. 18, lots 6, 7, 8, 9, S½NE¼, SE¼NW¼, and N½SE¼.
T. 9 S., R. 94 W.,
Sec. 22, E½SE¼;
Sec. 23, S½S½;
Sec. 26, W½W½;
Sec. 27, E½E½, SW¼NE¼, W½W½, and SE¼SW¼;
Sec. 29, NE¼, N½SE¼, and SE¼SE¼;
Sec. 30, lot 4, SE¼SW¼, and SW¼SE¼;
Sec. 31, lots 1, 3, and 4;
Sec. 32, NE¼NE¼;
Sec. 35, SW¼NE¼, NW¼NW¼, S½NW¼, SW¼, and NW¼SE¼;
Sec. 36, E½SW¼.
T. 10 S., R. 94 W.,
Sec. 2, SW¼NE¼;
Sec. 4, SE¼SW¼ and S½SE¼;
Sec. 5, SW¼SE¼;
Sec. 6, lots 4, 5, 6, and 7;
Sec. 8, W½NE¼ and NE¼NW¼;
Sec. 9, E½NW¼ and SW¼;
Sec. 16, N½NW¼ and NE¼SE¼;
Sec. 17, NE¼NE¼;
Sec. 19, lots 3 and 4;
Sec. 20, N½SW¼ and SW¼SW¼.
T. 9 S., R. 95 W.,
Sec. 23, NE¼NE¼;
Sec. 24, N½NW¼.
T. 10 S., R. 95 W.,
Sec. 15, SW¼SE¼;
Sec. 22, NE¼NE¼;
Sec. 26, E½SW¼;
Sec. 31, SE¼SE¼;
Sec. 33, SE¼NE¼ and NE¼SE¼;
Sec. 34, S½N½ and S½.
T. 11 S., R. 95 W.,
Sec. 5, lot 8 and SW¼.
T. 10 S., R. 96 W.,
Sec. 21, NE¼SE¼ and S½SE¼;
Sec. 22, W½SW¼;
Sec. 23, NE¼SE¼;
Sec. 24, W½SW¼;
Sec. 25, NW¼NW¼, NE¼SW¼, S½SW¼, and NW¼SE¼;
Sec. 26, SE¼NW¼;
Sec 27, SW¼NE¼, NW¼NW¼, S½NW¼, SW¼, and NW¼SE¼;
Sec. 28, NE¼ and E½SE¼;
Sec. 29, SE¼SE¼;
Sec. 32, NE¼NE¼ and N½SE¼;
Sec. 33, E½NE¼, NW¼NE¼, W½W½, and NE¼SW¼;
Sec. 34, NW¼NE¼, S½NE¼, and NW¼;
Sec. 35, NW¼.
T. 11 S., R. 96 W.,
Sec. 4, lots 26, 29, and 30;
Sec. 6, lots 19, 20, and 21;
Sec. 9, W½SW¼ and SE¼SW¼;
Sec. 16, NE¼.
T. 10 S., R. 97 W.,
Sec. 13, SE¼SW¼ and S½SE¼;
Sec. 14, NE¼NW¼;
Sec. 15, SE¼NE¼, NE¼, and NW¼SW¼;
Secs. 16 and 21;
Sec. 22, NW¼NW¼, S½NW¼, and SW¼;
Sec. 23, SE¼NE¼ and E½SE¼;
Sec. 24, W½NE¼, E½NW¼, SW¼NW¼, and NW¼SW¼;
Sec. 26, N½NW¼, SW¼NW¼, S½SW¼, and SE¼;
Secs. 27, 28, and 29;
Sec. 33, S½S½;
Secs. 34 and 35;
Sec. 36, W½NW¼ and SW¼.
T. 10 S., R. 98 W.,
Sec. 25;
Sec. 35, E½, S½NW¼, N½SW¼, and SE¼SW¼;
Sec. 36.

The lands described aggregate approximately 15,191 acres, of which about 1,008 acres are patented, and some 497 acres are national forest lands in the Grand Mesa National Forest.

2. These lands are in the Grand Junction Grazing District, in the Collbran Unit. They lie on generally north sloping terrain that drains into Buzzard Creek and Plateau Creek and smaller drainages tributary to them. Elevation varies from 6,000 feet to 8,500 feet. Rainfall ranges from 10 inches annually at the lower elevations to 18 inches on the higher portion. Soils are generally shallow and rocky.

3. At 10:00 a.m. on November 27, 1962, the national forest lands shall be open to such forms of disposition as may by law be made of such lands.

4. Subject to any valid existing rights and equitable claims, the requirements of applicable law, rules and regulations, and the provisions of any existing withdrawals, the public lands released from withdrawal by this order are hereby opened to filing of applications, selections and locations in accordance with the following:

(a) Until 10:00 a.m. on April 23, 1963, the State of Colorado shall have a preferred right of application to select the lands in accordance with and subject to the provisions of subsection (c) of section 2 of the Act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and the regulations in 43 CFR.

(b) All valid applications and selections under the nonmineral public land laws other than any from the State of Colorado presented prior to 10:00 a.m. on April 23, 1963, will be considered as simultaneously filed at that hour. Rights under such applications and selections filed after that hour will be governed by the time of filing.

(c) The lands have been opened to applications and offers under the mineral leasing laws. They will be opened to location under the United States mining laws at 10:00 a.m. on April 23, 1963.

5. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims, must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Denver, Colorado.

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

OCTOBER 22, 1962.

[F.R. Doc. 62-10768; Filed, Oct. 26, 1962; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] MORTIMER M. CAPLIN,
Commissioner of Internal Revenue.

In order to conform the Income Tax Regulations (26 CFR Part 1) under sections 170 and 162 of the Internal Revenue Code of 1954, relating to deductions for charitable contributions and trade or business expenses, respectively, to the Act of September 14, 1960 (Public Law 86-779, 74 Stat. 1002), such regulations are amended as follows:

PARAGRAPH 1. Section 1.170 is amended by adding a new sentence at the end of subsection (c), inserting a new subsection (d), redesignating the present subsections (d) and (e) as (e) and (f), respectively, and amending the historical note. These amended provisions read as follows:

§ 1.170 Statutory provisions; charitable, etc., contributions and gifts.

SEC. 170. *Charitable, etc., contributions and gifts.*, * * *

(c) *Charitable contribution defined.* For purposes of this section, the term "charitable contribution" means a contribution or gift to or for the use of—

(1) A State, a Territory, a possession of the United States, or any political subdivision of any of the foregoing, or the United States or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

(2) A corporation, trust, or community chest, fund, or foundation—

(A) Created or organized in the United States or in any possession thereof, or under the law of the United States, any State or Territory, the District of Columbia, or any possession of the United States;

(B) Organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals;

(C) No part of the net earnings of which inures to the benefit of any private shareholder or individual; and

(D) No substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

A contribution or gift by a corporation to a trust, chest, fund, or foundation shall be deductible by reason of this paragraph only if it is to be used within the United States or any of its possessions exclusively for purposes specified in subparagraph (B).

(3) A post or organization of war veterans, or an auxiliary unit or society of, or trust or foundation for, any such post or organization—

(A) Organized in the United States or any of its possessions, and

(B) No part of the net earnings of which inures to the benefit of any private shareholder or individual.

(4) In the case of a contribution or gift by an individual, a domestic fraternal society, order, or association, operating under the lodge system, but only if such contribution or gift is to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

(5) A cemetery company owned and operated exclusively for the benefit of its members, or any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, if such company or corporation is not operated for profit and no part of the net earnings of such company or corporation inures to the benefit of any private shareholder or individual.

For purposes of this section, the term "charitable contribution" also means an amount treated under subsection (d) as paid for the use of an organization described in paragraph (2), (3), or (4).

(d) *Amounts paid to maintain certain students as members of taxpayer's household*—(1) *In general.* Subject to the limitations provided by paragraph (2), amounts paid by the taxpayer to maintain an individual (other than a dependent, as defined in section 152, or a relative of the taxpayer) as a member of his household during the period that such individual is—

(A) A member of the taxpayer's household under a written agreement between the taxpayer and an organization described in paragraph (2), (3), or (4) of subsection (c) to implement a program of the organization to provide educational opportunities for pupils or students in private homes, and

(B) A full-time pupil or student in the twelfth or any lower grade at an educational institution (as defined in section 151(e)(4)) located in the United States,

shall be treated as amounts paid for the use of the organization.

(2) *Limitations*—(A) *Amount.* Paragraph (1) shall apply to amounts paid within the taxable year only to the extent that such amounts do not exceed $50 multiplied by the number of full calendar months during the taxable year which fall within the period described in paragraph (1). For purposes of the preceding sentence, if 15 or more days of a calendar month fall within such period such month shall be considered as a full calendar month.

(B) *Compensation or reimbursement.* Paragraph (1) shall not apply to any amount paid by the taxpayer within the taxable year if the taxpayer receives any money or other property as compensation or reimbursement for maintaining the individual in his household during the period described in paragraph (1).

(3) *Relative defined.* For purposes of paragraph (1), the term "relative of the taxpayer" means an individual who, with respect to the taxpayer, bears any of the relationships described in paragraphs (1) through (8) of section 152(a).

(4) *No other amount allowed as deduction.* No deduction shall be allowed under subsection (a) for any amount paid by a taxpayer to maintain an individual as a member of his household under a program described in paragraph (1)(A) except as provided in this subsection.

(e) *Disallowance of deductions in certain cases.* (1) For disallowance of deductions in case of contributions or gifts to charitable organizations engaging in prohibited transactions, see section 503(e).

(2) For disallowance of deductions for contributions to or for the use of communist controlled organizations, see section 11(a) of the Internal Security Act of 1950 (64 Stat. 996; 50 U.S.C. 790).

(f) *Other cross references.* (1) For charitable contributions of estates and trusts, see section 642(c).

(2) For nondeductibility of contributions by common trust funds, see section 584.

(3) For charitable contributions of partners, see section 702.

(4) For charitable contributions of nonresident aliens, see section 873.

(5) For treatment of gifts for benefit of or use in connection with the Naval Academy as gifts to or for the use of the United States, see section 3 of the Act of March 31, 1944 (58 Stat. 135; 34 U.S.C. 1115b).

(6) For treatment of gifts for benefit of the library of the Post Office Department as gifts to or for the use of the United States, see section 2 of the Act of August 8, 1946 (60 Stat. 924; 5 U.S.C. 393).

(7) For treatment of gifts accepted by the Secretary of State under the Foreign Service Act of 1946 as gifts to or for the use of the United States, see section 1021(e) of that Act (60 Stat. 1032; 22 U.S.C. 809(e)).

(8) For treatment of gifts of money accepted by the Attorney General for credit to the "Commissary Funds Federal Prisons" as gifts to or for the use of the United States, see section 2 of the Act of May 15, 1952 (66 Stat. 73, as amended by the Act of July 9, 1952, 66 Stat. 479, 31 U.S.C. 725s-4).

[Sec. 170 as amended by sec. 1, Act of Aug. 7, 1956 (Public Law 1022, 84th Cong., 70 Stat. 1117); secs. 10, 11, and 12, Technical Amendments Act 1958 (Public Law 85-866, 72 Stat. 1609-1610); sec. 7(a), Act of Sept. 14, 1960 (Public Law 86-779, 74 Stat. 1002)]

PAR. 2. Paragraph (a) of § 1.170-1 is amended to read as follows:

§ 1.170–1 Charitable, etc., contributions and gifts; allowance of deduction.

(a) *General rule.* Any charitable contribution (as defined in section 170 (c)) actually paid during the taxable year is allowable as a deduction in computing taxable income, regardless of the method of accounting employed or when pledged. In addition, contributions by corporations may under certain circumstances be deductible even though not paid during the taxable year (see § 1.170–3). The deduction is subject to the limitations of section 170(b) (see §§ 1.170–2 and 1.170–3) and is subject to verification by the district director. In connection with claims for deductions for charitable contributions, taxpayers shall state in their income tax returns the name and address of each organization to which a contribution was made and the amount and approximate date of the actual payment of each contribution. Any deduction for a charitable contribution must be substantiated, when required by the district director, by a statement from the organization to which the contribution was made indicating whether the organization is a domestic organization, the name and address of the contributor, the amount of the contribution, and the date of its actual payment, and by such other information as the district director may deem necessary. For rules relating to the determination of, and the deduction for, amounts paid to maintain certain students as members of the taxpayer's household and treated under section 170 (d) as paid for the use of an organization described in section 170(c) (2), (3), or (4), see paragraph (f) of § 1.170–2.

PAR. 3. In § 1.170–2, subparagraph (1) of paragraph (a) thereof is amended and a new paragraph (f) is added at the end thereof. These amended provisions read as follows:

§ 1.170–2 Charitable deductions by individuals; limitations.

(a) *In general.* (1) A deduction is allowable to an individual under section 170 only for charitable contributions actually paid during the taxable year, regardless of when pledged and regardless of the method of accounting employed by the taxpayer in keeping his books and records. A contribution to an organization described in section 170(c) is deductible even though some portion of the funds of the organization may be used in foreign countries for charitable or educational purposes. The deduction by an individual for charitable contributions under section 170 is limited generally to 20 percent of the taxpayer's adjusted gross income (computed without regard to any net operating loss carryback to the taxable year under section 172). If a husband and wife make a joint return, the deduction for contributions is the aggregate of the contributions made by the spouses, and the limitation in section 170(b) is based on the aggregate adjusted gross income of the spouses. The 20-percent limitation applies to amounts contributed during the taxable year "to or for the use of" those recipients described in section 170(c), including amounts treated under section 170(d) as paid for the use of an organization described in section 170(c) (2), (3), or (4). See paragraph (f) of this section. The limitation is computed without regard to contributions qualifying for the additional 10-percent deduction. For examples of the application of the 10- and 20-percent limitation, see paragraph (b)(5) of this section. For special rules reducing amount of certain charitable deductions, see paragraph (c)(2) of § 1.170–1.

* * * * *

(f) *Amounts paid to maintain certain students as members of the taxpayer's household*—(1) *In General.* (i) For taxable years beginning after December 31, 1959, the term "charitable contribution" includes amounts paid by the taxpayer during the taxable year to maintain certain students as members of his household which, under the provisions of section 170(d) and this paragraph, are treated as amounts paid for the use of an organization described in section 170(c) (2), (3), or (4), and such amounts, to the extent they do not exceed the limitations under section 170(d)(2) and subparagraph (2) of this paragraph, are deductible contributions under section 170. In order for such amounts to be so treated, the student must be an individual who is neither a dependent (as defined in section 152) of the taxpayer nor related to the taxpayer in a manner described in any of the paragraphs (1) through (8) of section 152(a), and such individual must be a member of the taxpayer's household pursuant to a written agreement between the taxpayer and an organization described in section 170(c) (2), (3), or (4) to implement a program of the organization to provide educational opportunities for pupils or students placed in private homes by such organization. Furthermore, such amounts must be paid to maintain such individual during the period in the taxable year he is a member of the taxpayer's household and is a full-time pupil or student in the twelfth or any lower grade at an educational institution (as defined in section 151(e)(4)) located in the United States. Amounts paid outside of the period (but within the taxable year) for expenses necessary for the maintenance of the student during the period will qualify for the charitable deduction if the other limitation requirements of the section are met.

(ii) For purposes of subdivision (i) of this subparagraph, amounts treated as charitable contributions include only those amounts actually paid by the taxpayer during the taxable year which are directly attributable to the maintenance of the student while he is a member of the taxpayer's household and is attending school on a full-time basis. This would include amounts paid to ensure the well-being of the individual and to carry out the purpose for which the individual was placed in the taxpayer's home. For example, a deduction would be allowed for amounts paid for books, tuition, food, clothing, transportation, medical and dental care, and recreation for the individual. Amounts treated as charitable contributions under this paragraph do not include amounts which the taxpayer would have expended had the student not been in the household. They would not include, for example, amounts paid in connection with the taxpayer's home for taxes, insurance, interest on a mortgage, repairs, etc. Moreover, such amounts do not include any depreciation sustained by the taxpayer in maintaining such student or students in his household, nor do they include the value of any services rendered on behalf of such student or students by the taxpayer or any member of the taxpayer's household.

(iii) For purposes of section 170(d) and this paragraph, an individual will be considered to be a full-time pupil or student at an educational institution only if he is enrolled for a course of study (prescribed for a full-time student) at such institution and is attending classes on a full-time basis. Nevertheless, such individual may be absent from school due to special circumstances and still be considered to be in full-time attendance. Periods during the regular school term when the school is closed for holidays, such as Christmas and Easter, and for periods between semesters are treated as periods during which the pupil or student is in full-time attendance at the school. Also, absences during the regular school term due to illness of such individual shall not prevent him from being considered as a full-time pupil or student. Similarly, absences from the taxpayer's household due to special circumstances will not disqualify the student as a member of the household. Summer vacations between regular school terms are not considered periods of school attendance.

(iv) As in the case of other charitable deductions, any deduction claimed for amounts described in section 170(d) and this paragraph which are treated as charitable contributions under section 170(c) is subject to verification by the district director. When claiming a deduction for such amounts, the taxpayer should submit a copy of his agreement with the organization sponsoring the individual placed in the taxpayer's household together with a summary of the various items for which amounts were paid to maintain such individual, and a statement as to the date the individual became a member of the household and the period of his attendance at school and the name and location of such school. Substantiation of amounts claimed must be supported by adequate records of the amounts actually paid. Due to the nature of certain items, such as food, a record of amounts spent for all members of the household, with an equal portion thereof allocated to each member, will be acceptable.

(2) *Limitations.* Section 170(d) and this paragraph shall apply to amounts paid during the taxable year only to the extent that the amounts paid in maintaining each pupil or student do not exceed $50 multiplied by the number of full calendar months in the taxable year that the pupil or student is maintained in accordance with the provisions of this

paragraph. For purposes of such limitation, if 15 or more days of a calendar month fall within the period to which the maintenance of such pupil or student relates, such month is considered as a full calendar month. To the extent that such amounts qualify as charitable contributions under section 170(c), the aggregate of such amounts plus other contributions made during the taxable year is deductible under section 170, subject to the 20-percent limitation provided in section 170(b)(1)(B). Also, see § 1.170–2(a)(1).

(3) *Compensation or reimbursement.* Amounts paid during the taxable year to maintain a pupil or student as a member of the taxpayer's household, as provided in subparagraph (1) of this paragraph, shall not be taken into account under section 170(d) of this paragraph, if the taxpayer receives any money or other property as compensation or reimbursement for any portion of such amounts. The taxpayer will not be denied the benefits of section 170(d) if he prepays an extraordinary or nonrecurring expense, such as a hospital bill or vacation trip, at the request of the individual's parents or the sponsoring organization and is reimbursed for such prepayment. The value of services performed by the pupil or student in attending to ordinary chores of the household will not generally be considered to constitute compensation or reimbursement. However, if the pupil or student is taken into the taxpayer's household to replace a former employee of the taxpayer or gratuitously to perform substantial services for the taxpayer, the facts and circumstances may warrant a conclusion that the taxpayer received reimbursement for maintaining the pupil or student.

(4) *No other amount allowed as deduction.* Except to the extent that amounts described in section 170(d) and this paragraph are treated as charitable contributions under section 170(c) and, therefore, deductible under section 170(a), no deduction is allowed for any amount paid to maintain an individual, as a member of the taxpayer's household, in accordance with the provisions of section 170(d) and this paragraph.

(5) *Examples.* Application of the provisions of this paragraph may be illustrated by the following examples:

Example (1). The X organization is an organization described in section 170(c)(2) and is engaged in a program under which a number of European children are placed in the homes of United States residents in order to further the children's high school education. In accordance with the provisions of subparagraph (1) of this paragraph, the taxpayer, A, who reports his income on the calendar year basis, agreed with X to take two of the children, and they were placed in the taxpayer's home on January 2, 1960, where they remained until January 21, 1961, during which time they were fully maintained by the taxpayer. The children enrolled at the local high school for the full course of study prescribed for tenth grade students and attended the school on a full-time basis for the spring semester starting January 18, 1960, and ending June 3, 1960, and for the fall semester starting September 1, 1960, and ending January 13, 1961. The total cost of food paid by A in 1960 for himself, his wife, and the two children amounted to $1,920, or $40 per month for each member of the household. Since the children were actually full-time students for only 8½ months during 1960, the amount paid for food for each child during that period amounted to $340. Other amounts paid during the 8½ month period for each child for laundry, lights, water, recreation, and school supplies amounted to $160. Thus, the amounts treated under section 170(d) and this paragraph as paid for the use of X would, with respect to each child, total $500 ($340+$160), or a total for both children of $1,000, subject to the limitations of subparagraph (2) of this paragraph. Since, for purposes of such limitations, the children were full-time students for only 8 full calendar months during 1960 (less than 15 days in January 1960), the taxpayer may treat only $800 as a charitable contribution made in 1960, that is, $50 multiplied by the 8 full calendar months, or $400 paid for the maintenance of each child. Neither the excess payments nor amounts paid to maintain the children during the period before school opened and for the period in summer between regular school terms is taken into account by reason of section 170(d). Also, because the children were full-time students for less than 15 days in January 1961 (although maintained in the taxpayer's household for 21 days), amounts paid to maintain the children during 1961 would not qualify as a charitable contribution.

Example (2). A religious organization described in section 170(c)(2) has a program for providing educational opportunities for children it places in private homes. In order to implement the program, the taxpayer, H, who resides with his wife, son, and daughter of high school age in a town in the United States, signs an agreement with the organization to maintain a girl sponsored by the organization as a member of his household while the child attends the local high school for the regular 1960–61 school year. The child is a full-time student at the school during the school year starting September 6, 1960, and ending June 6, 1961, and is a member of the taxpayer's household during that period. Although the taxpayer pays $200 during the school period falling in 1960, and $240 during the school period falling in 1961, to maintain the child, he cannot claim either amount as a charitable contribution because the child's parents, from time to time during the school year, send butter, eggs, meat, and vegetables to H to help defray the expenses of maintaining the child. This is considered property received as reimbursement under subparagraph (3) of this paragraph. Had her parents not contributed the food, the fact that the child, in addition to the normal chores she shared with the taxpayer's daughter, such as cleaning their own rooms and helping with the shopping and cooking, was responsible for the family laundry and for the heavy cleaning of the entire house while the taxpayer's daughter had no comparable responsibilities would also preclude a claim for a charitable deduction. These substantial gratuitous services are considered property received as reimbursement under subparagraph (3) of this paragraph.

Example (3). A taxpayer resides with his wife in a city in the eastern United States. He agrees, in writing, with a fraternal society described in section 170(c)(4) to accept a child selected by the society for maintenance by him as a member of his household during 1961 in order that the child may attend the local grammar school as a part of the society's program to provide elementary education for certain children selected by it. The taxpayer maintains the child, who has as his principal place of abode the home of the taxpayer, and is a member of the taxpayer's household, during the entire year 1961. The child is a full-time student at the local grammar school for 9 full calendar months during the year. Under the agreement, the society pays the taxpayer $30 per month to help maintain the child. Since the $30 per month is considered as compensation or reimbursement to the taxpayer for some portion of the maintenance paid on behalf of the child, no amounts paid with respect to such maintenance can be treated as amounts paid in accordance with section 170(d). In the absence of the $30 per month payments, if the child qualifies as a dependent of the taxpayer under section 152(a)(9), that fact would also prevent the maintenance payments from being treated as charitable contributions paid for the use of the fraternal society.

PAR. 4. In § 1.162, section 162(b) and the historical note are amended to read as follows:

§ 1.162 Statutory provisions; trade or business expenses.

SEC. 162. *Trade or business expenses.* * * *

(b) *Charitable contributions and gifts excepted.* No deduction shall be allowed under subsection (a) for any contribution or gift which would be allowable as a deduction under section 170 were it not for the percentage limitations, the dollar limitations, or the requirements as to the time of payment, set forth in such section.

* * * * *

[Sec. 162 as amended by sec. 5, Technical Amendments Act 1958 (72 Stat. 1608); sec. 7(b), Act of Sept. 14, 1960 (Public Law 86–779, 74 Stat. 1002)]

[F.R. Doc. 62–10780; Filed, Oct. 26, 1962; 8:47 a.m.]

[26 CFR Part 1]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] MORTIMER M. CAPLIN,
Commissioner of Internal Revenue.

In order that the Income Tax Regulations (26 CFR Part 1) may reflect the delegation of functions authorized by section 1015(a) of the Internal Revenue Code of 1954 and be made to conform to section 43(a) of the Technical Amendments Act of 1958 (Public Law 85-866, 72 Stat. 1640), such regulations are amended as follows:

PARAGRAPH 1. Section 1.1015 is amended by adding a new subsection (d) to section 1015 and by adding a historical note. As added, these provisions read as follows:

§ 1.1015 Statutory provisions; basis of property acquired by gifts and transfers in trust.

SEC. 1015. *Basis of property acquired by gifts and transfers in trust.* * * *

(d) *Increased basis for gift tax paid*—(1) *In general.* If—

(A) The property is acquired by gift on or after the date of the enactment of the Technical Amendments Act of 1958, the basis shall be the basis determined under subsection (a), increased (but not above the fair market value of the property at the time of the gift) by the amount of gift tax paid with respect to such gift, or

(B) The property was acquired by gift before the date of the enactment of the Technical Amendments Act of 1958 and has not been sold, exchanged, or otherwise disposed of before such date, the basis of the property shall be increased on such date by the amount of gift tax paid with respect to such gift, but such increase shall not exceed an amount equal to the amount by which the fair market value of the property at the time of the gift exceeded the basis of the property in the hands of the donor at the time of the gift.

(2) *Amount of tax paid with respect to gift.* For purposes of paragraph (1), the amount of gift tax paid with respect to any gift is an amount which bears the same ratio to the amount of gift tax paid under chapter 12 with respect to all gifts made by the donor for the calendar year in which such gift is made as the amount of such gift bears to the taxable gifts (as defined in section 2503(a) but computed without the deduction allowed by section 2521) made by the donor during such calendar year. For purposes of the preceding sentence, the amount of any gift shall be the amount included with respect to such gift in determining (for the purposes of section 2503(a)) the total amount of gifts made during the calendar year, reduced by the amount of any deduction allowed with respect to such gift under section 2522 (relating to charitable deduction) or under section 2523 (relating to marital deduction).

(3) *Gifts treated as made one-half by each spouse.* For purposes of paragraph (1), where the donor and his spouse elected, under section 2513 to have the gift considered as made one-half by each, the amount of gift tax paid with respect to such gift under chapter 12 shall be the sum of the amounts of tax paid with respect to each half of such gift (computed in the manner provided in paragraph (2)).

(4) *Treatment as adjustment to basis.* For purposes of section 1016(b), an increase in basis under paragraph (1) shall be treated as an adjustment under section 1016(a).

(5) *Application to gifts before 1955.* With respect to any property acquired by gift before 1955, references in this subsection to any provision of this title shall be deemed to refer to the corresponding provision of the Internal Revenue Code of 1939 or prior revenue laws which was effective for the year in which such gift was made.

[Sec. 1015(d) as added by sec. 43(a), Technical Amendments Act 1958 (Public Law 85-866, 72 Stat. 1640)]

PAR. 2. Paragraph (a) of § 1.1015-1 is amended by adding a new subparagraph (3) to read as follows:

§ 1.1015-1 Basis of property acquired by gift after December 31, 1920.

(a) *General rule.* * * *

(3) If the facts necessary to determine the basis of property in the hands of the donor or the last preceding owner by whom it was not acquired by gift are unknown to the donee, the district director shall, if possible, obtain such facts from such donor or last preceding owner, or any other person cognizant thereof. If the district director finds it impossible to obtain such facts, the basis in the hands of such donor or last preceding owner shall be the fair market value of such property as found by the district director as of the date or approximate date at which, according to the best information the district director is able to obtain, such property was acquired by such donor or last preceding owner. See paragraph (e) of this section for rules relating to fair market value.

PAR. 3. There is inserted immediately after § 1.1015-4 the following new section.

§ 1.1015-5 Increased basis for gift tax paid.

(a) *General rule.* (1) (i) Subject to the conditions and limitations provided in section 1015(d), as added by the Technical Amendments Act of 1958, the basis (as determined under section 1015 (a) and paragraph (a) of § 1.1015-1) of property acquired by gift is increased by the amount of gift tax paid with respect to the gift of such property. Under section 1015(d)(1)(A), such increase in basis applies to property acquired by gift on or after September 2, 1958 (the date of enactment of the Technical Amendments Act of 1958). Under section 1015 (d)(1)(B), such increase in basis applies to property acquired by gift before September 2, 1958, and not sold, exchanged, or otherwise disposed of before such date. If section 1015(d)(1)(A) applies, the basis of the property is increased as of the date of the gift regardless of the date of payment of the gift tax. For example, if the property was acquired by gift on September 8, 1958, and sold by the donee on October 15, 1958, the basis of the property would be increased (subject to the limitation of section 1015(d)) as of September 8, 1958 (the date of the gift), by the amount of gift tax applicable to such gift even though such tax was not paid until March 1, 1959. If section 1015(d)(1)(B) applies, any increase in the basis of the property due to gift tax paid (regardless of date of payment) with respect to the gift is made as of September 2, 1958. Any increase in basis under section 1015(d) can be no greater than the amount by which the fair market value of the property at the time of the gift exceeds the basis of such property in the hands of the donor at the time of the gift. See paragraph (b) of this section for rules for determining the amount of gift tax paid in respect of property transferred by gift.

(ii) With respect to property acquired by gift before September 2, 1958, the provisions of section 1015(d) and this section do not apply if, before such date, the donee has sold, exchanged, or otherwise disposed of such property. The phrase "sold, exchanged, or otherwise disposed of" includes the surrender of a stock certificate for corporate assets in complete or partial liquidation of a corporation pursuant to section 331. It also includes the exchange of property for property of a like kind such as the exchange of one apartment house for another. The phrase does not, however, extend to transactions which are mere changes in form. Thus, it does not include a transfer of assets to a corporation in exchange for its stock in a transaction with respect to which no gain or loss would be recognizable for income tax purposes under section 351. Nor does it include an exchange of stock or securities in a corporation for stock or securities in the same corporation or another corporation in a transaction such as a merger, recapitalization, reorganization, or other transaction described in section 368(a) or 355, with respect to which no gain or loss is recognizable for income tax purposes under section 354 or 355. If a binding contract for the sale, exchange, or other disposition of property is entered into, the property is considered as sold, exchanged, or otherwise disposed of on the effective date of the contract, unless the contract is not subsequently carried out substantially in accordance with its terms. The effective date of a contract is normally the date it is entered into (and not the date it is consummated, or the date legal title to the property passes) unless the contract specifies a different effective date. For purposes of this subdivision, in determining whether a transaction comes within the phrase "sold, exchanged, or otherwise disposed of", if a transaction would be treated as a mere change in the form of the property if it occurred in a taxable year subject to the Code, it will be so treated if the transaction occurred in a taxable year subject to the Internal Revenue Code of 1939 or prior revenue law.

(2) Application of the provisions of subparagraph (1) of this paragraph may be illustrated by the following examples:

Example (1). In 1938, A purchased a business building at a cost of $120,000. On September 2, 1958, at which time the property had an adjusted basis in A's hands of $60,000, he gave the property to his nephew, B. At the time of the gift to B, the property had a fair market value of $65,000 with respect to which A paid a gift tax in the amount of $7,545. The basis of the property in B's hands at the time of the gift, as determined under section 1015(a) and § 1.1015-1, would be the same as the adjusted basis in A's hands at the time of the gift, or $60,000. Under section 1015(d) and this section, the basis of the building in B's hands as of the date of the gift would be increased by the amount of the gift tax paid with respect to such gift, limited to an amount by which the fair market value of the property at the

time of the gift exceeded the basis of the property in the hands of A at the time of gift, or $5,000. Therefore, the basis of the property in B's hands immediately after the gift, both for determining gain or loss on the sale of the property, would be $65,000.

Example (2). C purchased property in 1938 at a cost of $100,000. On October 1, 1952, at which time the property had an adjusted basis of $72,000 in C's hands, he gave the property to his daughter, D. At the date of the gift to D, the property had a fair market value of $85,000 with respect to which C paid a gift tax in the amount of $11,745. On September 2, 1958, D still held the property which then had an adjusted basis in her hands of $65,000. Since the excess of the fair market value of the property at the time of the gift to D over the adjusted basis of the property in C's hands at such time is greater than the amount of gift tax paid, the basis of the property in D's hands would be increased as of September 2, 1958, by the amount of the gift tax paid, or $11,745. The adjusted basis of the property in D's hands, both for determining gain or loss on the sale of the property, would then be $76,745 ($65,000 plus $11,745).

Example (3). On December 31, 1951, E gave to his son, F, 500 shares of common stock of the X Corporation which shares had been purchased earlier by E at a cost of $100 per share, or a total cost of $50,000. The basis in E's hands was still $50,000 on the date of the gift to F. On the date of the gift, the fair market value of the 500 shares was $80,000 with respect to which E paid a gift tax in the amount of $10,695. In 1956, the 500 shares of X Corporation stock were exchanged for 500 shares of common stock of the Y Corporation in a reorganization with respect to which no gain or loss was recognized for income tax purposes under section 354. F still held the 500 shares of Y Corporation stock on September 2, 1958. Under such circumstances, the 500 shares of X Corporation stock would not, for purposes of section 1015 (d) and this section, be considered as having been "sold, exchanged, or otherwise disposed of" by F before September 2, 1958. Therefore, the basis of the 500 shares of Y Corporation stock held by F as of such date would, by reason of section 1015(d) and this section, be increased by $10,695, the amount or gift tax paid with respect to the gift to F of the X Corporation stock.

Example (4). On November 15, 1953, G gave H property which had a fair market value of $53,000 and a basis in the hands of G of $20,000. G paid gift tax of $5,250 on the transfer. On November 16, 1956, H gave the property to J who still held it on September 2, 1958. The value of the property on the date of the gift to J was $63,000 and H paid gift tax of $7,125 on the transfer. Since the property was not sold, exchanged, or otherwise disposed of by J before September 2, 1958, and the gift tax paid on the transfer to J did not exceed $43,000 ($63,000, fair market value of property at time of gift to J, less $20,000, basis of property in H's hands at that time), the basis of property in his hands is increased on September 2, 1958, by $7,125, the amount of gift tax paid by H on the transfer. No increase in basis is allowed for the $5,250 gift tax paid by G on the transfer to H, since H had sold, exchanged, or otherwise disposed of the property before September 2, 1958.

(b) *Amount of gift tax paid with respect to a gift of property.* (1) (i) If only one gift was made during a certain calendar year, the entire amount of the gift tax paid under chapter 12 or the corresponding provisions of prior revenue laws for that calendar year is the amount of the gift tax paid with respect to the gift.

(ii) If more than one gift was made during a certain calendar year, the amount of gift tax paid under chapter 12 or the corresponding provisions of prior revenue laws with respect to any specified gift made during that calendar year is an amount, A, which bears the same ratio to B (the total gift tax paid for that calendar year) as C (the "amount of the gift", computed as described in this subdivision) bears to D (the total taxable gifts for the year, computed without deduction for the gift tax specific exemption under section 2521 or the corresponding provisions of prior revenue laws). Stated algebraically, the amount of the gift tax paid with respect to a gift equals:

$$\frac{\text{"Amount of the gift" (C)}}{\text{Total taxable gifts, plus specific exemption allowed (D)}} \times \text{Total gift tax paid (B)}$$

For purposes of the ratio stated in the preceding sentence, the "amount of the gift" referred to as factor "C" is the value of the gift reduced by any portion excluded or deducted under section 2503 (b) (annual exclusion), 2522 (charitable deduction), or 2523 (marital deduction) of the Internal Revenue Code or the corresponding provisions of prior revenue laws. In making the computations described in this paragraph, the values to be used are those finally determined for purposes of the gift tax.

(iii) If a gift consists of more than one item of property, the gift tax paid with respect to each item shall be computed by allocating to each item a proportionate part of the gift tax paid with respect to the gift, computed in accordance with the provisions of this paragraph.

(2) For purposes of this paragraph, it is immaterial whether the gift tax is paid by the donor or the donee. Where more than one gift of a present interest in property is made to the same donee during a calendar year, the annual exclusion shall apply to the earliest of such gifts in point of time.

(3) Where the donor and his spouse elect under section 2513 or the corresponding provisions of prior law to have any gifts made by either of them considered as made one-half by each, the amount of gift tax paid with respect to such a gift is the sum of the amounts of tax (computed separately) paid with respect to each half of the gift by the donor and his spouse.

(4) The method described in section 1015(d)(2) and this paragraph for computing the amount of gift tax paid in respect of a gift may be illustrated by the following examples:

Example (1). Prior to 1959 H made no taxable gifts. On July 1, 1959, he made a gift to his wife, W, of land having a value for gift tax purposes of $60,000 and gave to his son, S, certain securities valued at $60,000. During the year 1959, H also contributed $5,000 in cash to a charitable organization described in section 2522. H filed a timely gift tax return for 1959 with respect to which he paid gift tax in the amount of $6,000, computed as follows:

Value of land given to W		$60,000
Less: Annual exclusion	$3,000	
Marital deduction	30,000	33,000
Included amount of gift		$27,000
Value of securities given to S		60,000
Less: Annual exclusion		3,000
Included amount of gift		57,000
Gift to charitable organization		5,000
Less: Annual exclusion	3,000	
Charitable deduction	2,000	5,000
Included amount of gift		None
Total included gifts		84,000
Less: Specific exemption allowed		30,000
Taxable gifts for 1959		54,000
Gift tax on $54,000		6,000

In determining the gift tax paid with respect to the land given to W, amount C of the ratio set forth in subparagraph (1)(ii) of this paragraph is $60,000, value of property given to W, less $33,000 (the sum of $3,000, the amount excluded under section 2503(b), and $30,000, the amount deducted under section 2523), or $27,000. Amount D of the ratio is $84,000 (the amount of taxable gifts, $54,000, plus the gift tax specific exemption, $30,000). The gift tax paid with respect to the land given to W is $1,928.57, computed as follows:

$$\frac{\$27,000\ (C)}{\$84,000\ (D)} \times \$6,000\ (B)$$

Example (2). On January 15, 1956, A made a gift to his nephew, N, of land valued at $86,000, and on June 30, 1956, gave N securities valued at $40,000. On July 1, 1956, A gave to his sister, S, $46,000 in cash. A and his wife, B, were married during the entire calendar year 1956. The amount of A's taxable gifts for prior years was zero although in arriving at that amount A had used in full the specific exemption authorized by section 2521. B did not make any gifts before 1956. A and B elected under section 2513 to have all gifts made by either during 1956 treated as made one-half by A and one-half by B. Pursuant to that election, A and B each filed a gift tax return for 1956. A paid gift tax of $11,325 and B paid gift tax of $5,250, computed as follows:

	A	*B*
Value of land given to N	$43,000	$43,000
Less: exclusion	3,000	3,000
Included amount of gift	40,000	40,000
Value of securities given to N	20,000	20,000
Less: exclusion	None	None
Included amount of gift	20,000	20,000
Cash gift to S	23,000	23,000
Less: exclusion	3,000	3,000
Included amount of gift	20,000	20,000
Total included gifts	80,000	80,000
Less: specific exemption	None	30,000
Taxable gifts for 1956	80,000	50,000
Gift tax for 1956	11,325	5,250

The amount of the gift tax paid by A with respect to the land given to N is computed as follows:

$$\frac{\$40,000\ (C)}{\$80,000\ (D)} \times \$11,325\ (B) = \$5,662.50$$

The amount of the gift tax paid by B with respect to the land given to N is computed as follows:

$$\frac{\$40,000\ (C)}{\$80,000\ (D)} \times \$5,250\ (B) = \$2,625$$

The amount of the gift tax paid with respect to the land is $5,662.50 plus $2,625, or $8,287.50. Computed in a similar manner, the amount of gift tax paid by A with respect to the securities given to N is $2,831.25, and the amount of gift tax paid by B with respect thereto is $1,312.50, or a total of $4,143.75.

(c) *Treatment as adjustment to basis.* Any increase in basis under section 1015(d) and this section shall, for purposes of section 1016(b) (relating to adjustments to a substituted basis), be treated as an adjustment under section 1016(a) to the basis of the donee's property to which such increase applies. See paragraph (n) of § 1.1016–5.

PAR. 4. Section 1.1016–5 is amended by adding a new paragraph at the end thereof to read as follows:

§ 1.1016–5 Miscellaneous adjustments to basis.

* * * * *

(n) *Gift tax paid on certain property acquired by gift.* Basis shall be adjusted by that amount of the gift tax paid in respect of property acquired by gift which, under section 1015(d), is an increase in the basis of such property.

[F.R. Doc. 62–10781; Filed, Oct. 26, 1962; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 989]

HANDLING OF RAISINS PRODUCED FROM GRAPES GROWN IN CALIFORNIA

Notice of Proposed Expenses of Raisin Administrative Committee for 1962–63 Crop Year and Rate of Assessment

Notice is hereby given of a proposal regarding approval of expenses of the Raisin Administrative Committee for the 1962–63 crop year and the fixing of a rate of assessment for that crop year. These actions are to be taken pursuant to §§ 989.79 and 989.80 of the marketing agreement, as amended, and Order No. 989, as amended (7 CFR Part 989), regulating the handling of raisins produced from grapes grown in California, effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The Raisin Administrative Committee (established under the said marketing agreement and order) has unanimously recommended for the 1962–63 crop year beginning September 1, 1962, a budget of expenses in the total amount of $126,900 and an assessment rate of 75 cents per ton of assessable raisins. Expenses in that amount and an assessment at that rate are specified in the proposal hereinafter set forth. The assessable tonnage is estimated by the Committee at 169,200 tons.

Consideration will be given to any written data, views, or arguments pertaining to the proposal which are received by the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than the eighth day after the date of publication of this notice in the FEDERAL REGISTER.

The proposal is as follows:

§ 989.313 Expenses of the Raisin Administrative Committee and rate of assessment for the 1962–63 crop year.

(a) *Expenses.* Expenses (other than those specified in § 989.82) in the amount of $126,900 are reasonable and likely to be incurred by the Raisin Administrative Committee during the crop year beginning September 1, 1962, for the maintenance and functioning of the Committee and the Raisin Advisory Board.

(b) *Rate of assessment.* The rate of assessment for the crop year beginning September 1, 1962, which each handler is required to pay in accordance with § 989.80 to the Raisin Administrative Committee as his pro rata share of the Committee's expenses is hereby fixed at 75 cents per ton for free tonnage raisins (all standard raisins) acquired by him during the crop year.

Dated: October 24, 1962.

PAUL A. NICHOLSON,
Acting Director,
Fruit and Vegetable Division.

[F.R. Doc. 62–10788; Filed, Oct. 26, 1962; 8:47 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 3]

TREATED FOOD SEED

Proposal To Require Use of Color for Purpose of Identification

Notice is given that the Commissioner of Food and Drugs, on his own initiative and pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 701(a)), and under the authority delegated to him by the Secretary of Health, Education, and Welfare (25 F.R. 8625), proposes to issue the following statement of policy:

§ 3.13 Grain seed treated with poisonous substances; color identification to prevent adulteration of human and animal food.

In recent years there has developed increasing use of poisonous treatments on seed for fungicidal and other purposes. Such treated seed, if consumed, presents a hazard to humans and livestock. It is not unusual for stocks of such treated food seeds to remain on hand after the planting season has passed. Despite the cautions required by the Federal Seed Act (53 Stat. 1275, as amended 72 Stat. 476; 7 U.S.C. 1551 et seq.) in the labeling of the treated seed, the Food and Drug Administration has encountered many cases where such surplus stocks of treated wheat, corn, oats, rye, barley, sorghum, and alfalfa seed have been mixed with nontreated seed and sent to market for food or feed use. This has resulted in livestock injury and in legal actions under the Federal Food, Drug, and Cosmetic Act against large quantities of food adulterated through such admixtures of poisonous treated seeds with good food. Criminal cases were brought against some firms and individuals.

Where the treated seeds are prominently colored, buyers and users of agricultural food seed for food purposes are able to detect the admixture of the poisonous seed and thus reject the lots; but most such buyers do not have the facilities or scientific equipment to determine the presence of the poisonous chemical at the time crops are delivered in cases where the treated seeds have not been so colored. A suitable color for this use should be one that is in sharp contrast to the natural color of the particular food seeds, and is so applied that it is not readily removed.

On and after (date to be inserted in final order), the Food and Drug Administration will regard as adulterated any interstate shipment of food seeds bearing a poisonous treatment unless such food seeds have been adequately denatured by a suitable color to preclude their subsequent inadvertent use as food for man or feed for animals.

Attention is also called to the possible application of the Federal Hazardous Substances Labeling Act to denatured seeds in packages suitable for household use.

All interested persons are invited to submit their views in writing regarding the proposal published herein. Such views and comments should be submitted in quintuplicate, addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., within 30 days from the date of publication of this notice in the FEDERAL REGISTER.

Dated: October 22, 1962.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 62–10773; Filed, Oct. 26, 1962; 8:46 a.m.]

[21 CFR Part 27]

[Docket No. FDC—70]

ORANGE JUICE AND ORANGE JUICE PRODUCTS

Definitions and Standards of Identity; Proposed Findings of Fact and Tentative Order

In the matter of establishing definitions and standards of identify for orange juice, pasteurized orange juice, canned orange juice, sweetened pasteurized orange juice, canned sweetened orange juice, concentrated orange juice, sweetened concentrated orange juice, reconstituted orange juice, sweetened re-

constituted orange juice, and industrial orange juice with added chemical preservatives:

Notices of proposed rule making were published in the FEDERAL REGISTER of November 6, 1956 (21 F.R. 8511), and June 4, 1957 (22 F.R. 3893), setting forth proposals of Kraft Foods Company, 500 Peshtigo Court, Chicago, Illinois, the National Association of Frozen Food Packers, 1415 K Street NW., Washington, D.C., and the Commissioner of Food and Drugs for the establishment of definitions and standards of identity for orange juice and certain types of orange juice products. Subsequently, an order was published in the FEDERAL REGISTER of March 1, 1960 (25 F.R. 1770), promulgating identity standards for all the above-identified orange juice and orange juice products, except for industrial orange juice, the petition for which was denied. Objections to the order were filed asserting reasonable grounds for a public hearing on several issues, and on announcement was published on April 13, 1960 (25 F.R. 3159), staying the order. In response to a notice published in the FEDERAL REGISTER of December 2, 1960 (25 F.R. 12372), which set forth the issues, a hearing was held.

On the basis of the evidence received at the hearing, and pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701; 52 Stat. 1046, 1055, as amended, 70 Stat. 919; 21 U.S.C. 341, 371) and delegated to the Commissioner of Food and Drugs (25 F.R. 8625), and after giving consideration to the written arguments and suggested findings, which are adopted in part and rejected in part as is apparent from the detailed findings herein made, it is proposed that the following order be issued:

Findings of fact.[1] 1. The food commonly and usually known as orange juice is the natural liquid that is squeezed from mature oranges. Oranges generally used in producing orange juice are of the species *Citrus sinensis*. (R. 1839, 1840)

2. Fresh orange juice is not a suitable name for the commercially packaged expressed juice of oranges. The housewife who for many years has squeezed oranges knows this juice to be orange juice. The term "fresh" is ambiguous in that it is difficult to determine and to draw the line when a product is fresh and when it is no longer fresh. The use of the term "fresh" on commercially packed orange juice or orange juice products would tend to confuse and mislead consumers. (R. 859, 1843, 1944)

3. Orange juice is the raw material out of which all other orange juice products are made. In the commercial production of orange juice for these other products, there are several different types of extractors used in obtaining the juice from oranges. The juice as it comes from the extractors needs further treatment to remove seed, rag, excess pulp, and similar materials. This is usually accomplished by passing the juice through mechanical equipment known as "finishers." However, the embryonic seeds or bits of larger seeds accidentally broken during the extraction of juice may pass through the finisher with the juice. In noticeable numbers, they are objectionable to the consumer. It would be impracticable to impose a zero tolerance on seeds or fragments thereof in orange juice. It would not be contrary to consumers' interests to permit the inclusion of minute seed particles in orange juice, in amounts that cannot be removed by good commercial practice. (R. 518–522, 525–526, 536, 546, 552, 555, 1839, 1856, 1898–1899)

4. The evidence indicates that since 1959 orange juice has been commercially packed in containers, frozen, and used in preparation of other orange juice products for enhancing flavor. This frozen product is not packed in retail-size containers for consumer use, but in 3½- and 7-gallon containers. This frozen orange juice is normally used by the processor within a period of 12 months, and limited tests have not revealed any detectable change in identity within this time. Since this product differs from orange juice because it is sold in the frozen state a separate definition and standard of identity should be established for it. (R. 1843, 1892, 2103–2105, 2107–2108; Ex. 144, 167)

5. There are three general species of citrus fruits used in the manufacture of orange juice products: (1) Citrus sinensis (sweet oranges); (2) Citrus reticulata (mandarin oranges); and (3) Citrus aurantium (sour oranges). Most of the Citrus reticulata and Citrus aurantium are grown in Florida. However, 97 percent of the oranges used in Florida for commercial production of orange juice products are varieties of Citrus sinensis. The other 3 percent are of miscellaneous varieties including Murcott, King, Temple, Satsuma, Clementine, sour oranges, and tangerines. The single-strength unmixed juices of these miscellaneous varieties is not what the consumer knows as orange juice. Juice from tangerine oranges is tangerine juice. Juice from Satsuma oranges is Satsuma juice. These juices may have a legitimate purpose when blended into orange juice products, but they are not orange juice (see Finding 1). Likewise, the juice from Citrus aurantium, when used in limited proportions, serves a useful function in certain orange juice products. (R. 117, 118, 120, 125, 126, 1839, 1840; Ex. 116, 117)

6. The use of tangerine juice and other Citrus reticulata juices in the production of orange juice concentrate would aid in producing a product uniform in color as well as flavor. The ranges of Brix and Brix-acid ratios for mandarin oranges are practically the same as those for sweet oranges. All varieties of Citrus reticulata and hybrids thereof may have a legitimate use in limited amounts in products derived from orange juice. A reasonable maximum limit for the inclusion of juice from Citrus reticulata in other juice products is 10 percent by volume of the finished product. The declaration of the juice of mandarin oranges as an optional ingredient on labels of orange juice products containing such juice would present great difficulties, because of the many hybrid varieties of these products. (R. 126, 129, 153, 154, 160, 169–171, 197, 198; Ex. 81(a), 109–113, 116, 117)

7. Sometimes juice from sour oranges is added in the manufacture of orange concentrates to adjust the acidity. Most of the distinctive aroma and bouquet of Citrus aurantium juice that would be undesirable in single-strength products is driven off in the evaporators, and therefore contributes little, if any, to the flavor of the finished product. The acidity of the juice from sour oranges is approximately four to six times that of sweet oranges. Late in the season the Brix-acid ratio of Valencia orange juice becomes higher than is desirable for making a quality concentrate. It is frequently necessary to blend substantial quantities of lower-ratio concentrate in order to adjust to a lower and more desirable ratio. Citrus aurantium juice is needed if the supply of low-ratio Citrus sinensis bulk concentrate is exhausted. The quantity of such juice, when used, is normally from 1 percent to 5 percent of the finished product. (R. 206, 1263, 2670–2678, 2681, 2682; Ex. 109–113)

8. A new product has been developed within recent years and sold as "orange juice" or "fresh orange juice," largely in dairy-type cartons. The new product is distinctly different from what has been historically known to the consumer as orange juice. The new product has been heat-treated to retard deterioration; the pulp has been adjusted, as has been the oil content; a part or all of it may have been frozen; and it may have had concentrated orange juice added to it. Since this is a newly developed product, it requires a name of its own. Testimony was presented to show that this product, as well as other single-strength orange juice products, has been sometimes referred to in the citrus industry as "chilled orange juice"; also, that there are U.S. Department of Agriculture grade standards for this product under the name "chilled orange juice." However, the product referred to as "chilled orange juice" can be prepared in several ways. The word "chilled" in the name "chilled orange juice" is not really meaningful to consumers, and chilling is not the significant difference between orange juice and this new product. Both may be chilled, and the word "chilled" unqualified implies that this is freshly expressed orange juice preserved by refrigeration. The feature that distinguishes one from the other is that orange juice has not been heat-treated; whereas, the new product has been heat-treated. This affects the taste and differentiates this food from orange juice as known to ordinary consumers. The term "chilled juice" is meaningful only in the trade. (R. 709(k), 709(l), 1364–1365, 1863, 1895)

9. The heat-treated orange juice product referred to in Finding 8 is made by the manufacturing process as commonly used for single-strength products. First, a determination is made of the Brix-acid ratio of the oranges. Oranges with

[1] The citations following each finding of fact refer to the pages of the transcript of testimony and the exhibits received in evidence at the hearing.

varying characteristics are blended in an effort to get a finished product having the desired final composition. The oranges are passed through mechanical extractors to separate the liquid and pulp portions of the orange from the peel. The pulp and juice from the extractors is passed through mechanical strainers known as "finishers," which, among other things, remove some of the pulp. One or more of these finishers may be used to recover as much juice from oranges as is commercially possible. In many cases the juice is then passed through a deoiler or a deaerator or both. At this point the juice may be frozen and stored at very low temperatures for use later in the season, or it may be heated and quickly cooled to improve stability. The heated juice may be frozen and stored at very low temperatures, or it may pass on immediately to further steps, which may include blending with other batches of similar juice, with frozen heated or unheated juice, or with concentrated juice. This is followed by chilling, packaging, and distribution. The details and sequence of the manufacturing steps vary from one plant to another and vary within a plant, depending upon the availability of juices and concentrates for blending, cost, etc. (R. 253, 1855–1860, 1892, 2167; Ex. 161)

10. The primary purpose of heat-treating orange juice is to inactivate the enzyme pectinesterase. A secondary purpose is to reduce the number of micro-organisms. This is done to impart the necessary keeping qualities, and the heat treatment is called pasteurization. Generally, the temperatures required to inactivate enzymes are higher than those required to kill micro-organisms. The time and temperature may vary, depending upon the type of pasteurizer used. However, testimony was given that in a typical process the orange juice is heated for 12 seconds at 170° F.–183° F. and then cooled to 31° F. The entire time lapse is 20 to 22 seconds. When the enzymes in orange juice are not inactivated they tend to promote chemical reactions that result in undesirable changes, notably the separation and precipitation of the cloudy material. The principal difference between pasteurized or heat-treated orange juice and the product "orange juice" is the taste, stability, and keeping quality of the former. The identifying terms that are suitable for distinguishing this product from other orange juice products are "pasteurized," "heat-processed," and "heat-stabilized." (R. 253, 709, 1861, 1863, 1864)

11. There are at present two forms of frozen single-strength orange juices sometimes used in the manufacture of pasteurized orange juice. Sometimes the orange juice is heat-treated before freezing and storing. At other times it is heat-treated after storage and thawing. It may be in storage up to 12 months. Scientific experts studied the problem of the change of identity for single-strength orange juice that had been frozen, stored, and defrosted, and concluded that there was no change in the product. Other experts in this field, on the basis of their studies, questioned the above conclusion. Changes in relation to flavor, vitamin C content, stability, etc. that may take place in the frozen orange juice during low temperature storage are smaller in magnitude than those that customarily take place in the finished product during the first day or so of shipment and distribution under refrigeration. Considering all the testimony on this point, it is concluded that freezing and thawing single-strength orange juice does not change its identity. (R. 794, 1060–1064, 1068, 1070, 1073–1075, 1078–1080, 1082–1085, 1089, 1094–1096, 1244–1247, 1264–1265, 1384, 2017–2019, 2452–2478; Ex. 141)

12. Maturity standards, as defined in the Florida Citrus Code, require that oranges to be used for making concentrated orange juice and other processed orange products shall have not less than 8.0 percent soluble solids and not less than the Brix-ratio prescribed by a sliding scale, the lowest value of which requires a ratio of 8.5 to 1. Section 795.1 of the Agricultural Code of California states that oranges shall not be considered mature unless the juice has a Brix-acid ratio of at least 8.0 to 1. There is no California State law prohibiting processors from using oranges that do not meet the State maturity standards. Orange juice made from oranges just meeting the minimum maturity standards is not acceptable to drink as orange juice, as the average consumer knows it. In establishing a reasonable definition and standard of identity for the heat-stabilized orange juice product in the consumer's interest, it is necessary to establish certain minimum requirements for the composition of this product. The record reveals that the following figures fulfill these requirements: That the amount of orange juice soluble solids be not less than 10.5° Brix, and that the Brix-acid ratio be not less than 10 to 1. The juice of many legally mature oranges that come on the market would not meet these requirements. However, most fruit used in preparing the product would meet them. When fruit of lower Brix or Brix-acid ratio is used, these factors may be adjusted by using frozen single-strength juice or orange juice concentrate. The composition of this product as it is presently manufactured generally meets or exceeds these requirements. The addition of orange juice concentrate to adjust the orange juice soluble solids modifies the identity of the product. However, where not more than one-fourth of the total orange juice solids are contributed by the addition of orange juice concentrate it would not be sufficient to change the identity to that of some other product. In adjusting these orange juice soluble solids, it is not necessary to restrict the concentrate that may be added to that which is 41.8° Brix. It would not be in the interest of consumers to permit the addition of reconstituted orange juice (with its added water) to this product. (R. 427, 437, 461, 463, 830, 832, 1867–1870; Ex. 3, 78, 80, 81, 121, 144)

13. There was substantial evidence (see Finding 11) that frozen, stored, and thawed single-strength orange juice is not a different identity from orange juice. For this reason, it is unnecessary to require label declaration of its use as an optional ingredient in pasteurized orange juice or in any other orange juice product. However, the addition of orange juice concentrate to pasteurized orange juice does modify the identity of the product sufficiently to require label declaration of the orange juice concentrate as an optional ingredient. It would not be feasible to provide, in a regulation, different labeling requirements to reflect the amount of concentrate used. (R. 943, 958–959, 962, 981, 996, 1003, 1254, 1871, 2024, 2027–2029; Ex. 103–105)

14. Canned orange juice is a well-recognized product of long standing. It is prepared by extracting the juice from oranges and passing it through a finisher or a series of finishers to remove seeds and excess pulp. The excess oil is also removed. The most significant difference between canned orange juice and pasteurized orange juice is the stability of the product. Canned orange juice is hermetically sealed to prevent contamination with micro-organisms. It is heat-treated before or after being sealed in containers in order to yield a product that does not require refrigeration to prevent spoilage. (R. 517, 1876–1880)

15. Canned orange juice is not adjusted by the addition of orange juice concentrate as is pasteurized orange juice. The packer of canned orange juice ordinarily has only a very limited opportunity to adjust the Brix of his product by blending oranges. But, to promote the interest of consumers, there is a need for the standard to prescribe a minimum Brix requirement. A minimum of 10° Brix is a reasonable requirement. The juice extractable from some lots of legally mature oranges will fall below 10° Brix. It is customary for canners to add a sweetening ingredient to compensate for the Brix deficiency of such juice. The Brix-acid ratio is a very significant characteristic of a citrus product. In order to assure that canned orange juice will be acceptable to consumers, the standard should prescribe a minimum Brix-acid ratio. For canned orange juice, a Brix-acid ratio of 10 to 1 is a reasonable minimum. A ratio lower than 10 to 1 marks a very tart juice. It is reasonable also to permit the canner to adjust very tart juice by adding a sweetening ingredient to raise the Brix-acid ratio to 10 to 1 (with reasonable variations). In any event, if the finished canned orange juice contains an added sweetening ingredient consumers should be informed of that fact by label declaration. A proper way to declare the presence of the sweetener added for this purpose is "_____ added to reduce tartness" inserting in the blank the name of the sweetener added or, alternatively, the word "sweetener" or "sweeteners." (R. 365, 367, 377, 398–402, 407, 408, 1876–1880; Ex. 81, 140)

16. In the deoiling and deaerating process commonly employed for canned orange juice, volatile flavors along with oil and some water are removed to some extent in the vacuum distillation. The extent of water removal depends on the temperature and vacuum employed and

efficiency of the equipment. It is considered good manufacturing practice to add back to the juice the condensate separated from the oil, thus augmenting the flavor of the juice. (R. 2587–2589)

17. The Food and Drug Administration directed its field offices over the country to obtain an accurate and comprehensive picture of the merchandising practices of the orange juice industry. As a result of this nationwide investigation, it was found that most of the States and municipalities have no laws, regulations, nor ordinances specifically applicable to orange juice products. All the States have general food laws which to some extent enable them to cope with the misbranding and adulteration of orange juice and orange juice products. The problem most encountered by the States is the adulteration of orange juice products with water and sugar. The next most frequent problem is misrepresentation of reconstituted orange juice and of pasteurized orange juice as fresh orange juice. The investigation further showed that even managers of retail food stores over the country are confused concerning the identity of various single-strength orange juice products. There is general confusion in this area. Investigation of processors of dairy-type pasteurized orange juice and reconstituted orange juice, i.e., products made or sold through dairies, showed a wide difference in labels for products of similar composition. For example, five firms made the same product from orange juice concentrate and water, but labeled it under names ranging from "fresh orange juice" to "reconstituted orange juice." Other firms produced a reconstituted juice to which sugar had been added, but made no reference to the added sugar on the label. (R. 1569–1570, 1572–1577, 1581–1584, 1589–1615, 1618–1649, 2165–2166, 2170–2176, 2206–2209; Ex. 3, 114, 119–138, 159)

18. Reconstituted orange juice differs from orange juice in many respects. It is made from orange juice concentrate. It contains added water, and parts of it, if not all of it, have been subjected to heat-treatment. It is necessary to establish a minimum requirement for the percentage of orange juice soluble solids in the standard of identity for this product, especially since water is being added. A reasonable and practical requirement is 11.8° Brix. This product will then be comparable to the product prepared by the consumer, from concentrate. The standard of identity should provide that the product may be heat-treated, either before or after reconstitution. The names "reconstituted orange juice" and "orange juice from concentrate" are truthful, meaningful, and accurate designations for this product and are presently being used by some firms. (R. 719–721, 764–800, 842, 845, 879, 1013, 1870, 1872–1874, 1876, 1921, 2031; Ex. 121, 122, 133)

19. Nutritive sweeteners added to orange juice products have an effect on the Brix-acid ratio; i.e., sweet to tart taste, within the normal range of orange juice. The addition of sugar or other nutritive sweeteners modifies the identity and, depending upon the extent of that modification, might even change the identity into a distinctly different product. Processors use sweeteners to compensate for a natural deficiency in sugars relative to the acidity in particular lots of orange juice, and the sweeteners are added only to the extent of compensating for that deficiency. For reconstituted orange juice, the minimum fruit solids should be 11.8° Brix, which is comparable to the product the housewife reconstitutes for herself. Sugar, invert sugar, dextrose, dried corn sirup, and dried glucose sirup are suitable sweetening ingredients for addition to pasteurized orange juice and canned orange juice. Liquid sweetening ingredients should not be used in making pasteurized orange juice or canned orange juice because such use would result in the indirect addition of water. The consumer should be informed by appropriate labeling that a sweetening ingredient has been added. The presence of added sweeteners in orange juice products should be so declared on labels as to inform consumers that the product contains an added sweetening ingredient but without naming the article as a sweetened orange juice product, since it is the practice of industry, when using a sweetener, to add it in small proportions to bring the sweetness within the range found in average oranges, and it is not the practice to sweeten the products above the upper limit of the normal range of oranges. It is reasonable to provide that the addition of any optional sweetening ingredient be shown on labels by a statement "_____ added to reduce tartness" the blank being filled in with the name of the sweetening ingredient; for example, "sugar" or "dextrose" or "dried corn sirup". In lieu of the specific name of the sweetening ingredient the general designation "sweetener" or "sweeteners" is suitable. If an orange juice product does not contain an added sweetener, the packer may, at his option, put the word "unsweetened" on the label. (R. 105, 658–662, 1881–1884, 1914, 1932–1933, 2089–2090; Ex. 3)

20. No complaints are reported in the record that the consuming public has objected to the taste of canned orange juice to which sugar has been added. There was some testimony that consumers have shown a preference for the canned orange juice product labeled "unsweetened" over the product labeled "sugar added," but industry has found no trouble, from the taste standpoint, in marketing either product. Testimony was given on the use of calcium cyclamate (calcium cyclohexylsulfamate) as an artificial sweetening ingredient in canned orange juice. It would be added to a tart-tasting juice to suppress the effect of the citric acid and give a sweet taste equivalent to an acceptable Brix-acid ratio, thus making the juice appear to be of higher quality. An artificial sweetener is a chemical substance that has the power of sweetening but does not provide food energy or calories. Canned orange juice was not proposed as a special dietary food. It will not promote honesty and fair dealing in the interest of the consumer to provide for the use of calcium cyclamate as an artificial sweetening ingredient in canned orange juice. (R. 2118, 2121–2124, 2127–2130, 2150–2151, 2184, 2187, 2193–2194, 2196, 2207–2209, 2212, 2222–2223, 2232, 2237–2238, 2242, 2252, 2254, 2258; Ex. 172–175)

21. Orange oil is a natural constituent of orange juice. However, if oil obtained from an extraneous source is added to raise the oil level naturally occurring in the juice, such added oil is an optional ingredient in that product. A number of conditions influence the level of oil in the extracted juice: The condition of the fruit, its temperature when processed, and the processing methods used. Testimony showed that there is often a need for addition of high-quality orange oil to reconstituted orange juice, since the concentrate from which it is prepared may be low in oil content. Testimony given on the production of pasteurized orange juice and canned orange juice indicates that there is no commercial practice of adding orange oil to these products and no need for such addition. Usually, such juice is run through a deoiler to remove excess oil before the final processing and packaging. (R. 1855–1860, 1876–1880, 1884–1886, 2584–2586, 2599)

22. Orange pulp, prepared in several ways, has been used commercially in reconstituted orange juice. One method of obtaining pulp is by separation from the juice at time of concentration, heat-treating it to inactivate the enzymes, draining it to remove as much of the liquid as possible, and finally packaging and freezing it. Although attempts are made to obtain a pulp that resembles that derived from hand-squeezed juice, it is not commercially feasible to do so because the pumps and finishers alter the appearance. Another method involves saving the spent pulp which consists mainly of exhausted juice cells and connective tissue resulting from the washed-pulp process. The addition of pulp to orange juice products is not in the interest of the consumer, because it makes the product appear to be better or of greater value than it actually is. To the consumer, pulp in the products is a factor equating such products to orange juice freshly expressed in the home. However, it is not considered as in conflict with the promotion of honesty and fair dealing in the interest of consumers to blend juices containing varying amounts of pulp so as to standardize the pulpiness of the blended product. (R. 1915–1918, 2591–2595, 2607–2613)

23. "Orange essence" is a generic term describing the volatile flavoring constituents in orange juice. Nearly all these volatile flavoring constituents are unavoidably removed in the production of concentrated orange juice by evaporation. The resulting concentrate as it comes from the evaporator has a flat taste. Presently the industry compensates for this loss of flavor by adding unheated, "cut-back" single-strength orange juice, orange oil, and sometimes, "orange essence." A substantial portion of the volatile flavoring constituents of orange juice is found in orange oil.

The testimony revealed that there are two methods used for obtaining volatile orange flavors and aromas. In one

method the volatile flavoring components that have escaped from the orange juice in the evaporator are recovered from the water vapor and concentrated as orange essence. Sometimes the "cut-back" juice is rather low in volatile flavoring constituents. This deficiency can be partially remedied by adding orange oil or by adding such oil plus a quantity of orange essence. Such use of orange essence helps to achieve a product of more uniform quality, in the interest of the consumer. In the future it may become possible to substitute orange essence for unheated "cut-back" juice in the manufacture of orange juice concentrate. If this can be perfected, a product of better shelf life may be provided the consumer. There is no need to add orange essence to single-strength orange juice products.

The second method of preparing so-called orange essence consists of grinding up the orange peel from the juice extractors and mixing it with water. This mixture is pressed and the resulting fluid is separated into water- and oil-phases. The oil phase is sometimes termed orange essence. It consists of oil, peel juices, and other components that were never present in the orange juice. It is not in the consumers' interest to permit the use of the so-called orange essence made from orange peel or other orange byproducts outside the concentrating system. (R. 1887–1889, 3148, 3151–3152, 3154–3155, 3157–3161, 3165–3171, 3178–3181, 3237, 3255, 3257–3258, 3296–3303; Ex. 100, 202–207)

24. Benzoate of soda (sodium benzoate) was used as early as 1925 as a preservative to inhibit fermentation in orange juice products. In the last 5 years nearly 2 million gallons of single-strength orange juice containing preservatives have been used for making beverage bases. Such orange juice with preservative is sold in 3½-, 7-, 50-, 55-gallon containers. The single-strength orange juice is heat-treated, after which the chemical preservative is added. For sodium benzoate, 0.2 percent is used to accomplish the intended results. Label designation of the quantity of preservative is an established practice. Taste tests made with finished orange beverages containing various amounts of sodium benzoate showed that 0.06 percent is the maximum that can be used without injuring the flavor. More than that amount causes a burning sensation on the palate of the tasters. Orange juice containing 0.2 percent sodium benzoate is not suitable for direct consumer use because of the excessive burning or "hot" taste. Tests are being made with other preservatives not specifically described by testimony, to determine their effectiveness in inhibiting fermentation. (R. 2272–2278, 2294–2299, 2300; Ex. 176)

25. Some concentrated orange juice products containing preservatives have been sold within a Brix range of 22° to 72°. It is reasonable to provide a minimum of 20° Brix in the standard of identity for concentrated orange juice with preservative. Thus the concentration of this article will correspond to the concentration of concentrated orange juice for manufacturing. Testimony was given that these concentrated orange juice products containing preservatives have never been sold in the frozen state, in retail-size containers, or to retail outlets. They are used primarily as a source of flavor and fruit solids and for enhancing the appearance of the finished beverage. Tests show that it is necessary to add up to 0.2 percent benzoate of soda to the concentrate, depending upon the degree of concentration, to inhibit spoilage. Label designation of the preservative is an established practice. The only reference to other preservatives was testimony that in Florida, during the 4 years preceding the hearing, approximately 600,000 gallons of orange juice with added chemical preservatives were produced. Benzoate of soda and sorbic acid were the preservatives used. The preservatives were used at the level of 0.2 percent. (R. 2279–2290, 3057–3058; Ex. 177)

26. Shipments of single-strength orange juice and concentrated orange juice preserved with sulfur dioxide have been exported. Sulfur dioxide is not added as a chemical preservative in single-strength orange juice and concentrated orange juice for use in this country. Orange juice products preserved with sulfur dioxide may be exported in accordance with section 801(d) of the Federal Food, Drug, and Cosmetic Act, even though sulfur dioxide is not listed in the standard. The record does not establish that it will promote the interests of consumers in this country to provide in the standard of identity for "orange juice with preservative" for adding sulfur dioxide as an optional preservative ingredient. (R. 2295–2296, 2299, 2300, 2312; Ex. 177)

27. During recent years, the trend has been to increase the yield of juice from a standard box of oranges. This has been accomplished by more vigorous methods of extraction, separation of pulp from extracted juice, and removal of the remaining juice from the pulp by the use of one or more finishers employing pressure. This increase in yield adversely affects the quality of the resulting products. When the pressure on a finisher is increased, the pulp becomes comminuted and the juice that is forced through the screen contains finely ground pulp and considerable amounts of pectin. Although this juice is identified as orange juice, it is not orange juice in the sense that that term is normally understood. To avoid to some extent the undesirable properties of juice coming from finishers exerting excessive pressure, a counter-current flow technique was developed to extract the juice from the pulp by the use of water. This method gives a product of better quality than second finisher juice and it produces a slightly higher yield. Water is introduced into the pulp and the mixture is screened through several finishers, where the juice remaining in the pulp is "washed" away. This diluted orange juice is mixed with undiluted juice from the primary finisher going to the evaporators for concentration. The volume of water used is about the same in weight as the pulp. This added water is removed in the evaporator in making concentrated orange juice, and this is a costly operation; however, industry witnesses from Florida and California assert that the increase in yield and quality make the operation worthwhile. Comparative analytical studies were made on concentrated orange juice products manufactured by the washed-pulp process and the mechanical pressure process, the two alternative processing steps by which the soluble solids of the orange pulp may be recovered for conversion into concentrate. The product made by the water-extraction process was about half as viscous as the product made by the mechanical-pressure process. The vitamin C content was essentially the same for both products.

Results of taste-panel tests on samples of reconstituted orange juice prepared from concentrates made by both processes showed that the commercial washed-pulp process produced a product equal to or better than the product produced by the mechanical-pressure process. From the evidence in the record, the interests of consumers do not require that orange juice products prepared in part from water extract of orange pulp should be labeled to show this fact. (R. 2711–2735, 2737–2738, 2742, 2746–2747, 2751–2753, 2757, 2759, 2767–2768, 2792–2795, 2825–2829, 2831–2862, 2901–2912, 2938–2962; Ex. 180–182, 187–189, 191A–191B, 193A–193C, 194–195, 200)

28. Testimony was given by Florida processors that it would not be in the interest of consumers to promulgate a Federal standard of identity for frozen concentrated orange juice that would be superimposed upon the strict standards already enforced in the State of Florida. They assert that doubt and confusion would be created in the Florida industry by the establishment of such a Federal standard and, further, that such Federal standard might serve to hinder future development of this product. Testimony revealed that the Florida Citrus Commission Regulation No. 22 provides that no citrus fruit or products thereof shall be processed except in the presence of a U.S. Department of Agriculture inspector or without his previous consent. Such inspection is carried out under inspection service arranged under contract between the Agricultural Marketing Service and the State of Florida Department of Agriculture. In the 1959–60 season, Florida produced 66,200,000 gallons of the retail-type concentrate, and 1,000,000 gallons of the same product was produced elsewhere. An industry witness acknowledged, however, that Florida has no control over orange juice concentrate once it leaves the State of Florida, and that a product labeled "substandard" could be relabeled after leaving the State. An industry witness acknowledged that the statement "concentrated orange juice is the food prepared by removing water from the juice of mature oranges" is sufficiently broad to permit further improvements and technological advances in the development of the concentrating process. There was some concern whether the citrus industry could pursue the same type of research and to the same extent if a Federal standard of identity

were established. However, several agreed that § 3.12 of Title 21 of the Code of Federal Regulation on temporary permits for experimental packs of food varying from requirements of definitions and standards of identity would permit further research and development. A limited market survey was made by the Food and Drug Administration for the purpose of determining whether there were on the market products that purported to be frozen concentrated orange juice but that were really a concentrate for orange juice drink were found in two large cities in Southern California. These products were labeled in part "quick frozen concentrated orange juice product" or "frozen orange concentrate." All had been stocked for from 8 months to 5 years. These products were stored side by side with frozen concentrated orange juice in the retail market freezer. This Food and Drug survey shows that there are on the market products that purport to be concentrated orange juice and accentuates the need for a Federal definition and standard of identity for that product. It is clear that the Florida authorities have no control of activities beyond the State's borders. Testimony revealed that bulk concentrate could be purchased in Florida and repackaged easily and economically elsewhere. Most frozen concentrate is packed in Florida. However, California and Texas processors pack a substantial amount that would be beyond the control of the Florida Citrus Code. (R. 2331–2335, 2349, 2397, 2415–2416, 2430–2431, 2434–2435, 2440, 2968–2971, 2998–2999, 3034–3037, 3051–3052, 3054–3056, 3311–3317, 3320–3322, 3371, 3378–3386; Ex. 144, 179, 197–199)

29. Frozen concentrated orange juice consists of a blend of selected orange juice and may contain several other related ingredients, including other frozen concentrates, packed during different seasons and perhaps at other places. Refined orange oil and orange essence may be added. The finely divided pulp present is adjusted to whatever level is called for. Fractions or all of the product may be heated before blending, and washed-pulp extract or second finisher liquid may be among the components used. The resulting product when properly diluted makes a beverage that resembles and substitutes for fresh orange juice, but it has an identity of its own. (R. 2353, 2402–2407, 3311–3314)

30. "Addback" is the name given to concentrated orange juice packed in bulk 55-gallon drums for later reprocessing. Approximately 20 percent of the frozen concentrate packed in retail-size containers during the last season was reprocessed from bulk "addback" which had been stored in a frozen condition. The 55-gallon drums of concentrated orange juice are removed from storage, allowed to soften by standing at room temperature, and emptied into a hopper. A layer of approximately 1 gallon of concentrate remains on the plastic liner of the drums. A stream of water is sprayed over the interior of the drum to flush the adhering concentrate into the hopper. This diluted concentrate may pass through the evaporator or go directly to the blend tank and be incorporated into the final product. During the 1959–60 season, over 13 million gallons of concentrate were reprocessed in this manner. If the drums were not washed out with water, some three-quarters of a million dollars would be added to the annual cost of producing concentrate, thus raising the price to consumers accordingly. (R. 2951, 2962–2973, 3136)

31. For the past 15 years, the housewife has come to recognize the name "frozen concentrated orange juice" as meaning the product to which she adds three volumes of water to obtain reconstituted orange juice. Therefore, the unqualified name "frozen concentrated orange juice" should reflect the product with which she is familiar. In all probability, a consumer product having a different, and very likely a higher concentration, will become available. However, when that product is ready for sale, it should have some distinguishing name that will set it apart from the product already known as "frozen concentrated orange juice." This can be done by indicating, as a part of the name, the number of cans of water necessary to reconstitute the can of concentrate. (R. 3034–3037, 3315, 3316)

32. The amount of orange juice soluble solids in the reconstituted product made by the consumer from orange juice concentrate ranges from 11.8 percent to 12.4 percent. The approximate average of the soluble solids in the Florida orange juices available for processing is 11.8° Brix. For several reasons the industry adopted a concentrate in consumer-sized containers of about 42 percent orange juice soluble solids or 42° Brix. First, it was desirable to have as high a degree of concentration as was then practicable in order to achieve savings in freight, storage, and container costs. Second, the Brix value was selected with the thought that reconstitution should be based on the addition of a whole number of cans of water in the interests of preventing confusion on the part of consumers in using this new product. This resulted in the selection of a concentrate to be reconstituted by the addition of three parts of water, now described as three-plus-one concentrate. Thus the selection of a specific Brix value for the three-plus-one concentrate was based on the average Brix value for orange juice, and the figure of approximately 42° Brix was derived. In practice, this may vary from 41.8° to 44.0° Brix. When diluted with three volumes of water, reconstituted juice ranging from 11.8° to 12.4° Brix results. The three-plus-one reconstitution factor for concentrate in small size cans has had wide consumer acceptance and understanding of how to use it. Since the housewife is now familiar with that product, other products of different levels of concentration when offered to the consumer should be plainly labeled to indicate that difference. It would reduce confusion if the products were concentrated to such levels that they can be reconstituted by addition of whole numbers of volumes of water, e.g., four-plus-one or five-plus-one, or be made up to a standard volume, for example, 1 quart. The Brix of the reconstituted juice should in no case be less than 11.8°. (R. 2322, 3034–3036, 3314–3316, 3371)

33. California processors of concentrated orange juice find it desirable to add sugar to orange juice concentrate when they are using California oranges that have a low Brix-acid ratio. The addition of sugar to frozen concentrated orange juice for the purpose of adjusting the Brix-acid ratio would modify but not destroy its identity. This then would not require that a different standard of identity be established but rather that a label declaration indicate that sugar or other sweeteners have been added. Frozen concentrated orange juice to which a sweetener is added should have the same orange juice soluble solids as that product to which no sugar or other sweetener has been added. If the orange juice soluble solids were less in the concentrate with sweetener than in concentrate without sweetener having the same dilution factor it would cause the consumer to over-dilute the orange juice concentrate and thus make a product that is not reconstituted orange juice nor even a sweetened reconstituted orange juice, but a watered reconstituted orange juice. (R. 663–673, 680, 684–688, 3318, 3320–3322, 3340)

34. Under the laws of Florida, a special experimental permit was given for packing a "four-plus-one" frozen concentrated orange juice for distribution to institutions to be reconstituted by the addition of four parts of water to one part of the concentrate product. The product proved successful. The Brix of this concentrate is 50.6° and it reconstitutes to 11.8° Brix. (R. 2382, 2383, 3034–3036)

35. During the 1959–60 season in Florida, there were produced over 9 million gallons of concentrated orange juice for further processing. The concentration of these products varies from 33°–72° Brix, most of it being above 42° Brix. There are approximately 50,000 to 100,000 gallons of 33° Brix orange juice concentrate produced annually in Florida. Orange juice concentrates ranging from 25° Brix–72° Brix are made for sale to producers of pasteurized orange juice and to the beverage base and flavors trade for further manufacture. The concentrates that range from 25° Brix–65° Brix are frozen and packed in 3½- and 7-gallon containers and 50- and 55-gallon drums. The product of 65° Brix or higher is held under refrigeration but not frozen. A minimum orange juice solids content of 20° Brix was suggested for such concentrated orange juice. The users of concentrated orange juice products for further processing need to know the concentration of orange juice solids in the products as they purchase them. It is customary in the citrus industry to express the concentration of orange juice soluble solids in terms of the degrees Brix of the product. It is reasonable to specify in the standard for concentrated orange juice for manufacturing that the label shall name the product "concen-

trated orange juice for manufacturing _____" or "_____ orange juice for manufacturing," the blank being filled in with the figure showing the concentration of orange juice soluble solids in degrees Brix. (R. 2331–2333, 2346, 2361, 2389, 2390, 2621, 2631, 3054–3056, 3313, 3314; Ex. 179)

36. Testimony was offered with respect to canned heat-processed concentrated orange juice for consumer use. The Brix requirements in a standard of identity for such a product should be the same as that for frozen concentrated orange juice. The name for this canned concentrate would be "canned concentrated orange juice," and the word "canned" would not necessarily have to be on the label if the product did not purport to be frozen concentrated orange juice. (R. 3040, 3314, 3327, 3339–3348, 3369–3371)

Conclusions. On the basis of the foregoing findings of fact, and taking into consideration the substantial evidence of the entire record, it is concluded that it will promote honesty and fair dealing in the interest of consumers to establish definitions and standards of identity as follows:

§ 27.105 Orange juice; identity.

(a) Orange juice is the unfermented juice obtained from mature oranges of the species *Citrus sinensis*. Seeds (except embryonic seeds and small fragments of seeds that cannot be separated by good manufacturing practice) and excess pulp are removed. The juice may be chilled, but it is not frozen.

(b) The name of the food is "orange juice." The name "orange juice" may be preceded on the label by the varietal name of the oranges used, and if the oranges grew in a single State, the name of such State may be included in the name, as for example, "California Valencia orange juice."

§ 27.106 Frozen orange juice; identity.

(a) Frozen orange juice is orange juice as defined in § 27.105, except that it is frozen.

(b) The name of the food is "frozen orange juice." Such name may be preceded on the label by the varietal name of the oranges used, and if the oranges grew in a single State, the name of such State may be included in the name, as for example, "California Valencia frozen orange juice."

§ 27.107 Pasteurized orange juice; heat-processed orange juice, heat-stabilized orange juice; identity; label statement of optional ingredients.

(a) Pasteurized orange juice, heat-processed orange juice, heat-stabilized orange juice is the food prepared from unfermented juice obtained from mature oranges as specified in § 27.105, to which may be added not more than 10 percent by volume of the unfermented juice obtained from mature oranges of the species *Citrus reticulata* or hybrids thereof. Seeds (except embryonic seeds and small fragments of seeds that cannot be separated by good manufacturing practice) are removed, and pulp and orange oil may be adjusted in accordance with good manufacturing practice. The solids may be adjusted by the addition of one or more of the optional concentrated orange juice ingredients specified in paragraph (b) of this section. One or more of the optional sweetening ingredients listed in paragraph (c) of this section may be added, in a quantity reasonably necessary to compensate for a deficiency, if any, of the Brix-acid ratio. The orange juice is so treated by heat as to reduce substantially the enzymatic activity and the number of viable microorganisms. Either before or after such heat treatment, all or a part of the product may be frozen. The finished pasteurized orange juice contains not less than 10.5 percent by weight of orange juice soluble solids, and the ratio of the Brix hydrometer reading to the percent by weight of acid, calculated as anhydrous citric acid, is not less than ten to one.

(b) The optional concentrated orange juice ingredients referred to in paragraph (a) of this section are frozen concentrated orange juice as specified in § 27.109 and concentrated orange juice for manufacturing as specified in § 27.110; but the quantity of such concentrated orange juice ingredients added shall not contribute more than one-fourth of the total orange juice solids in the finished pasteurized orange juice.

(c) The optional sweetening ingredients referred to in paragraph (a) of this section are sugar, invert sugar, dextrose, dried corn sirup, dried glucose sirup.

(d) (1) The name of the food is "pasteurized orange juice" or "heat-processed orange juice" or "heat-stabilized orange juice." If the food is filled into containers and preserved by freezing, the label shall bear the name "frozen pasteurized orange juice," "frozen heat-processed orange juice," or "frozen heat-stabilized orange juice."

(2) If the pasteurized orange juice is filled into containers and refrigerated, the label shall bear the name of the food, "chilled pasteurized orange juice," "chilled heat-processed orange juice," or "chilled heat-stabilized orange juice," If it does not purport to be either canned orange juice or frozen pasteurized orange juice, the word "chilled" may be omitted from the name.

(e) (1) If a concentrated orange juice ingredient specified in paragraph (b) of this section is used in adjusting the orange juice solids of the pasteurized orange juice, the label shall bear the statement "prepared in part from concentrated orange juice" or "with added concentrated orange juice" or "concentrated orange juice added."

(2) If one or more of the sweetening ingredients specified in paragraph (c) of this section is added to the pasteurized orange juice, the label shall bear the statement "_____ added to reduce tartness," the blank being filled in with the name or an appropriate combination of the names of the sweetening ingredients used. However, for the purpose of this section, the name "sweetener" or "sweeteners" may be used in lieu of the specific name or names of the sweetening ingredients.

(f) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statements specified in this section for naming the optional ingredients used shall immediately and conspicuously precede or follow the name of the food, without intervening written, printed, or graphic matter.

§ 27.108 Canned orange juice; identity; label statement of optional ingredients.

(a) Canned orange juice is the food prepared from orange juice as specified in § 27.105, to which may be added not more than 10 percent by volume of the unfermented juice obtained from mature oranges of the species *Citrus reticulata* or hybrids thereof. Seeds (except embryonic seeds and small fragments of seeds that cannot be separated by good manufacturing practice) are removed. Orange oil and pulp may be adjusted in accordance with good manufacturing practice. Liquid condensate recovered from the deoiling operation may be added back. One or more of the optional sweetening ingredients named in paragraph (b) of this section may be added, in a quantity that reasonably compensates for deficiency, if any, of the Brix-acid ratio of the orange juice used. The food is sealed in containers and so processed by heat, either before or after sealing, as to prevent spoilage. The finished canned orange juice tests not less than 10° Brix, and the ratio of the Brix reading to the percent by weight of acid, calculated as anhydrous citric acid, is not less than ten to one.

(b) The optional sweeting ingredients referred to in paragraph (a) of this section are sugar, invert sugar, dextrose, dried corn sirup, dried glucose sirup.

(c) The name of the food is "canned orange juice." If it does not purport to be chilled pasteurized orange juice or frozen pasteurized orange juice, the word "canned" may be omitted from the name.

(d) If one or more of the sweetening ingredients specified in paragraph (b) of this section is added to the canned orange juice, the label shall bear the statement "_____ added to reduce tartness," the blank being filled in with the name or an appropriate combination of the names of the sweetening ingredients used. However, for the purpose of this section, the name "sweetener" or "sweeteners" may be used in lieu of the specific name or names of the sweetening ingredients.

(e) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statement specified in this section for naming the optional ingredients used shall immediately and conspicuously precede or follow the name of the food, without intervening written, printed, or graphic matter.

§ 27.109 Frozen concentrated orange juice, frozen orange juice concentrate; identity; label statement of optional ingredients.

(a) Frozen concentrated orange juice is the food prepared by removing water from the juice of mature oranges as provided in § 27.107, to which juice not more than 5 percent by volume of the

unfermented juice obtained from mature oranges of the species *Citrus aurantium* may have been added. The concentrate so obtained is frozen. In its preparation, seeds (except embryonic seeds and small fragments of seeds that cannot be separated by good manufacturing practice) and excess pulp are removed, and a properly prepared water extract of the excess pulp so removed may be added. Orange oil, orange essence (obtained from the evaporation of orange juice during concentration in the evaporators), orange juice and other orange juice concentrate as provided in this section or concentrated orange juice for manufacturing as provided in § 27.110, water, and one or more of the optional sweetening ingredients specified in paragraph (b) of this section may be added to adjust the final composition. Any of the ingredients of the finished concentrate may have been so treated by heat as to reduce substantially the enzymatic activity and the number of viable microorganisms. The finished food is of such concentration that when diluted according to label directions the reconstituted article will contain not less than 11.8 percent by weight of orange juice soluble solids, exclusive of the solids of any added optional sweetening ingredients. The dilution ratio shall be not less than three to one. For the purposes of this section and § 27.111, the term "dilution ratio" means the whole number of volumes of water per volume of frozen concentrate required to produce reconstituted orange juice having orange juice soluble solids of not less than 11.8 percent.

(b) The optional sweetening ingredients referred to in paragraph (a) of this section are sugar, sugar sirup, invert sugar, invert sugar sirup, dextrose, corn sirup, dried corn sirup, glucose sirup, and dried glucose sirup.

(c) If one or more of the sweetening ingredients specified in paragraph (b) of this section is added to the frozen concentrated orange juice, the label shall bear the statement "_____ added to reduce tartness," the blank being filled in with the name or an appropriate combination of names of the sweetening ingredients used. However, for the purpose of this section, the name "sweetener" or "sweeteners" may be used in lieu of the specific name or names of the sweetening ingredients.

(d) The name of the food concentrated to a dilution ratio of three to one is "frozen concentrated orange juice" or "frozen orange juice concentrate." The name of the food concentrated to a dilution ratio greater than three to one is "frozen concentrated orange juice, _____ to 1" or "frozen orange juice concentrate, _____ to 1," the blank being filled in with the whole number showing the dilution ratio; for example, "frozen orange juice concentrate, 4 to 1." However, where the label bears directions for making 1 quart of reconstituted orange juice (or multiples of a quart), the blank in the name may be filled in with a mixed number; for example, "frozen orange juice concentrate, 4⅓ to 1." For containers larger than 1 pint, the dilution ratio in the name may be replaced by the concentration of orange juice soluble solids in degrees Brix; for example, a 62° Brix concentrate in 3½-gallon cans may be named on the label "frozen concentrated orange juice, 62° Brix."

(e) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statements specified in this section for naming the optional ingredients used shall immediately and conspicuously precede or follow the name of the food, without intervening written, printed, or graphic matter.

§ 27.110 Concentrated orange juice for manufacturing; orange juice concentrate for manufacturing; identity; label statement of optional ingredients.

(a) Concentrated orange juice for manufacturing is the food that complies with the requirements for composition and labeling of optional ingredients prescribed for frozen concentrated orange juice by § 27.109, except that it is either not frozen or it is less concentrated, or both; *Provided, however,* That the concentration of orange juice soluble solids is not less than 20° Brix.

(b) The name of the food is "concentrated orange juice for manufacturing, _____" or "_____ orange juice concentrate for manufacturing," the blank being filled in with the figure showing the concentration of orange juice soluble solids in degrees Brix.

§ 27.111 Canned concentrated orange juice, canned orange juice concentrate; identity; label statement of optional ingredients.

(a) Canned concentrated orange juice complies with the requirements for composition, definition of dilution ratio, and labeling of optional ingredients prescribed for frozen concentrated orange juice by § 27.109, except that it is not frozen and it is sealed in containers and so processed by heat, either before or after sealing, as to prevent spoilage.

(b) The name of the food concentrated to a dilution ratio of three to one is "canned concentrated orange juice" or "canned orange juice concentrate." The name of the food concentrated to a dilution ratio greater than three to one is "canned concentrated orange juice, _____ to 1" or "canned orange juice concentrate, _____ to 1," the blank being filled in with the whole number showing the dilution ratio; for example, "canned orange juice concentrate, 4 to 1." However, where the label bears directions for making 1 quart of reconstituted orange juice (or multiples of a quart) the blank in the name may be filled in with a mixed number; for example, "frozen orange juice concentrate, 4⅓ to 1." If the food does not purport to be frozen concentrated orange juice, the word "canned" may be omitted from the name.

§ 27.112 Reconstituted orange juice, orange juice from concentrate; identity; label statement of optional ingredients.

(a) Reconstituted orange juice is the food prepared by mixing water with frozen concentrated orange juice as defined in § 27.109, or with concentrated orange juice for manufacturing as defined in § 27.110. To such mixture may be added: Orange juice as defined in § 27.105, frozen orange juice as defined in § 27.106, pasteurized orange juice as defined in § 27.107, orange oil, one or more of the sweetening ingredients listed in paragraph (b) of this section. The finished reconstituted orange juice contains not less than 11.8 percent orange juice soluble solids, exclusive of the solids of any added optional sweetening ingredients. It may be so treated by heat as to reduce substantially the enzymatic activity and the number of viable microorganisms.

(b) The sweetening ingredients referred to in paragraph (a) of this section are sugar, sugar sirup, invert sugar, invert sugar sirup, dextrose, corn sirup, dried corn sirup, glucose sirup, dried glucose sirup.

(c) The name of the food is "reconstituted orange juice" or "orange juice from concentrate."

(d) When reconstituted orange juice contains any optional sweetening ingredient as listed in paragraph (b) of this section, whether added directly as such or indirectly as an added ingredient of any orange juice product used, the label shall bear the statement "_____ added to reduce tartness," the blank being filled in with the name or an appropriate combination of the names of the sweetening ingredients added. However, for the purposes of this section the name "sweetener" or "sweeteners" may be used in lieu of the specific name or names of the sweetening ingredients.

(e) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statements specified in this section for naming the optional ingredients used shall immediately and conspicuously precede or follow the name of the food, without intervening written, printed, or graphic matter.

§ 27.113 Orange juice with preservative; identity.

(a) Orange juice with preservative is the food prepared for further manufacturing use. It is prepared from unfermented juice obtained from mature oranges as provided in § 27.107. Seeds (except embryonic seeds and small fragments of seeds that cannot be separated by good manufacturing practice) are removed, and pulp and orange oil may be adjusted, in accordance with good manufacturing practice. It is heat-treated to reduce substantially the enzymatic activity and the number of viable micro-organisms. The preservative specified in paragraph (b) of this section is added to inhibit spoilage.

(b) The preservative referred to in paragraph (a) of this section is benzoate of soda, which is used in an amount not to exceed 0.2 percent by weight.

(c) The name of the food is "orange juice with preservative."

(d) The label shall bear the statement "_____ benzoate of soda (or sodium benzoate) added as preservative," the blank being filled in with the percentage

of the preservative used; for example, "0.2 percent sodium benzoate added as a preservative."

(e) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statement specified in the paragraph (d) of this section for naming the preservative ingredient used shall immediately and conspicuously precede or follow the name of the food, without intervening written, printed, or graphic matter.

§ 27.114 Concentrated orange juice with preservative; identity; label statement of optional ingredients.

(a) Concentrated orange juice with preservative complies with the requirements for composition and labeling of optional ingredients prescribed for concentrated orange juice for manufacturing by § 27.110, except that a preservative is added to inhibit spoilage.

(b) The preservatives referred to in paragraph (a) of this section are benzoate soda and sorbic acid. Benzoate of soda or sorbic acid may be used in an amount not exceeding 0.2 percent, by weight.

(c) The name of the food is "concentrated orange juice with preservative, ----------," the blank being filled in with the figure showing the concentration of orange juice soluble solids in degrees Brix.

(d) The label shall bear the statement "---------- ---------- added as a preservative" the first blank being filled in with the percent by weight of the preservative used and the second blank by the name sorbic acid or sodium benzoate (or benzoate of soda) as appropriate.

(e) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statement specified in paragraph (d) of this section for naming the preservative ingredient used shall immediately and conspicuously precede or follow the name of the food, without intervening written, printed, or graphic matter.

Any interested person may, within 30 days from the date of publication of this proposed order in the FEDERAL REGISTER, file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written exceptions thereto. Exceptions shall point out with particularity the alleged errors in the findings of fact and proposed order, and shall contain specific references to the pages of the transcript of testimony or to the exhibits on which the exceptions are based. Exceptions may be accompanied by memoranda or briefs in support thereof. Exceptions and accompanying briefs should be submitted in quintuplicate.

Dated: October 23, 1962.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 62-10774; Filed, Oct. 26, 1962; 8:46 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 507]

[Reg. Docket No. 1447]

LOCKHEED AIRCRAFT

Proposed Airworthiness Directives

Pursuant to the authority delegated to me by the Administrator (14 CFR Part 405), notice is hereby given that the Federal Aviation Agency has under consideration a proposal to amend Part 507 of the regulations of the Administrator to include an airworthiness directive requiring inspection of the elevator balance weight arms on Lockheed 188 Series aircraft and replacement of any found cracked.

Interested persons may participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should be submitted in duplicate to the Docket Section of the Federal Aviation Agency, Room A-103, 1711 New York Avenue NW., Washington 25, D.C. All communications received on or before November 27, 1962, will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in light of comments received. All comments submitted will be available in the Docket Section for examination by interested persons at any time. This proposal will not be given further distribution as a draft release.

This amendment is proposed under the authority of sections 313(a), 601, and 603 of the Federal Aviation Act of 1958 (72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423.)

In consideration of the foregoing, it is proposed to amend § 507.10(a) of Part 507 (14 CFR Part 507), by adding the following airworthiness directive:

LOCKHEED. Applies to all Model 188 Series aircraft.

Compliance required as indicated.

To permit early detection of cracks in both the closed and open section type elevator balance weight arms and to assure rework of uncracked arms and replacement of cracked arms, the failure of which can induce a flutter condition, the following shall be accomplished:

(a) Unless already accomplished within the last 200 hours' time in service prior to the effective date of this AD, all elevator balance weight arms shall be inspected within the next 100 hours' time in service following the effective date of this AD and at intervals thereafter not to exceed 300 hours' time in service from the last inspection as follows:

(1) Place the elevator in the full up position and, with the elevator access doors at the trailing edge of the horizontal stabilizer in the open position, visually inspect all elevator balance weight arms for cracks using a magnifying glass of at least 3× magnification.

(2) Rework, prior to further flight, all elevator balance weight arms which, at the first required inspection after the effective date of this AD are found not to be cracked, in accordance with Lockheed Service Bulletin 88/SB-567, paragraphs B(2) through B(6) or FAA approved equivalent, unless already reworked in accordance with the above Lockheed Service Bulletin.

(3) Replace, prior to further flight, closed section type elevator balance weight arms which are found to be cracked with new open section type elevator arms or FAA approved equivalent. Refer to Lockheed Field Service letter FS/24993IL for replacement part numbers. Replacement shall be accomplished in accordance with Lockheed Service Bulletin 88/SB-567 or FAA approved equivalent.

(4) Replace, prior to further flight, open section type elevator balance weight arms with new open section type arms of the same part number or FAA approved equivalent. Replacement shall be accomplished in accordance with Lockheed Service Bulletin 88/SB-567 or FAA approved equivalent.

(b) The repetitive inspections of (a) may be discontinued for those balance weight arms which exhibit no signs of cracks after 1,000 hours' time in service following compliance with the rework and replacement requirements of (a).

(c) Upon request of the operator, an FAA maintenance inspector, subject to prior approval of the Chief, Engineering and Manufacturing Branch, FAA Western Region, may adjust the repetitive inspection intervals specified in this Airworthiness Directive to permit compliance at an established inspection period of the operator if the request contains substantiating data to justify the increase for such operator.

(Lockheed Field Service Letters FS/249931L, dated September 9, 1960, FS/250044L, dated November 28, 1960, and Service Bulletin 88/SB-567, dated May 9, 1962, cover this same subject.)

Issued in Washington, D.C., on October 22, 1962.

GEORGE C. PRILL,
Director,
Flight Standards Service.

[F.R. Doc. 62-10757; Filed, Oct. 26, 1962; 8:45 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 60-KC-48]

CONTROL ZONE

Withdrawal of Proposal for Modification

In a notice of proposed rule making published in the FEDERAL REGISTER on September 2, 1960 (25 F.R. 8492) it was stated that the Federal Aviation Agency was considering a proposal initiated by the Department of Air Force to modify the Minot, N. Dak. (Minot AFB) control zone.

Subsequent to the publication of the notice the FAA adopted Amendment 60-21 (26 F.R. 570) and Amendment 60-29 (27 F.R. 4012) to the Civil Air Regulations, Part 60, Air Traffic Rules. As the modification of the Minot AFB control zone as proposed in the notice would not be consistent with current criteria for the designation of control zones developed in conjunction with the aforementioned amendments, and in view of the amount of time which has elapsed since the close of the period for comments on the notice without Final Rule action having been taken, the FAA, with the concurrence of the Department of Air Force, has determined that a more current review of controlled airspace requirements in the Minot area is necessary.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator (14 CFR 409.13) notice is hereby given that the proposal contained in Airspace Docket No. 60-KC-48 is withdrawn.

(Sec. 307(a) of the Federal Aviation Agency Act of 1958 (72 Stat. 749; 49 U.S.C. 1348))

Issued in Washington, D.C., on October 22, 1962.

W. THOMAS DEASON,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 62-10758; Filed, Oct. 26, 1962; 8:45 a.m.]

FEDERAL RESERVE SYSTEM

[12 CFR Part 207]

[Reg. G]

NONCASH ITEMS

Proposed Definition

The Board of Governors is considering adding a new paragraph (d) to § 207.1, which contains the definition of noncash items under Part 207, relating to the collection of noncash items. This amendment will necessitate the redesignation of the present paragraphs (d) through (f) as paragraphs (e) through (g). The proposed effective date for this amendment would be June 1, 1963.

The purpose of this amendment is to reduce the volume of items presented to the Federal Reserve Banks as "cash items" which, because of their nature, require special handling.

The proposed amendment to § 207.1 is as follows:

§ 207.1 Definition of noncash items.

* * * * *

(d) Checks, drafts, and other items with special instructions or requiring special handling;

This notice is published pursuant to section 4 of the Administrative Procedure Act and section 2 of the rules of procedure of the Board of Governors of the Federal Reserve System (12 CFR 262.1). The proposed change is authorized under the authority cited at 12 CFR Part 207.

To aid in the consideration of the foregoing matter the Board will be glad to receive from interested persons any relevant data, views, or arguments. Although such material may be sent directly to the Board, it is preferable that it be sent to the Federal Reserve Bank of the district, which will forward it to the Board for consideration. All such material should be submitted in writing to be received not later than November 19, 1962.

Dated at Washington, D.C., this 22d day of October 1962.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
[SEAL] MERRITT SHERMAN,
Secretary.

[F.R. Doc. 62-10766; Filed, Oct. 26, 1962; 8:46 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Comptroller of the Currency

FIRST AND MERCHANTS NATIONAL BANK AND FIRST NATIONAL BANK OF NEWPORT NEWS

Notice of Decision Granting Application To Merge

On August 6, 1962, the First and Merchants National Bank of Richmond, Richmond, Virginia, applied to the Comptroller of the Currency to merge with the First National Bank of Newport News, Newport News, Virginia, under the charter and title of the former.

On October 19, 1962, the Comptroller of the Currency granted this application, effective on or after October 26, 1962.

Copies of this decision are available on request to the Comptroller of the Currency, Washington 25, D.C.

Dated: October 23, 1962.

[SEAL] A. J. FAULSTICH,
Administrative Assistant to the Comptroller of the Currency.

[F.R. Doc. 62-10779; Filed, Oct. 26, 1962; 8:47 a.m.]

Office of the Secretary

[Treasury Dept. Order 167-48]

[CGFR 62-34]

COMMANDANT, U.S. COAST GUARD

Delegation of Functions

By virtue of the authority vested in me by Reorganization Plan No. 26 of 1950 and 14 U.S.C. 631, there are transferred to the Commandant, United States Coast Guard, the functions of the Secretary of the Treasury under Public Law 87-620, approved August 31, 1962 (amending 46 U.S.C. 85-85g and 88-88i) regarding load lines for oceangoing, coastwise, and Great Lakes vessels.

The Commandant may make provision for the performance by subordinates in the Coast Guard of any of the functions transferred except those of prescribing rules and regulations.

Dated: October 19, 1962.

[SEAL] DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 62-10782; Filed, Oct. 26, 1962; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Maritime Administration

PACIFIC FAR EAST LINE, INC.

Notice of Application

Notice is hereby given that Pacific Far East Line, Inc., has filed an application for extension of a waiver previously granted under section 804 of the Merchant Marine Act, 1936, as amended, whereby Pacific Far East Line, Inc., is permitted to render husbanding agency services at North and Central American ports and at ports in the Philippine Islands to foreign-flag vessels owned, chartered, or under the control of Far Eastern Marine Transport Company, Ltd., a Korean steamship company. The waiver is limited to entrance and clearance of vessels, taking care of disbursements and such other husbanding activities as are usually performed by a ship agent who does not solicit or book cargo or passengers.

Any person, firm, or corporation having an interest in such application who desires to offer views and comments thereon for consideration by the Deputy Maritime Administrator should submit same in writing, in triplicate, to the Secretary, Maritime Administration, Washington, D.C., by close of business November 2, 1962. The Deputy Maritime Administrator will consider these views and comments and take such action with respect thereto as may be deemed appropriate.

Dated: October 24, 1962.

By order of the Deputy Maritime Administrator.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 62-10777; Filed, Oct. 26, 1962; 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 11879; Order E-18942]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Relating to Specific Commodity Rates

OCTOBER 24, 1962.

There has been filed with the Board, pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, an agreement (Agreement C.A.B. 16500, R-2), between various air carriers, foreign air carriers, and other carriers embodied in the resolutions of Joint Conference 3-1 of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590—Commodity Rates Board.

The agreement, adopted pursuant to unprotested notices to the carriers, names an additional specific commodity rate, as follows:

Item 0525—Ice Cream Cones. Rate 60 cents per kilogram, minimum weight 100 kilograms, from Auckland to Honolulu.

Pursuant to authority duly delegated by the Board in the Board's regulations, 14 CFR 385.14, it is not found that the above-described agreement is adverse to the public interest or in violation of the Act, provided that approval thereof is conditioned as hereinafter ordered:

Accordingly, it is ordered, That:

Agreement C.A.B. 16500, R-2 is approved, provided that such approval shall not constitute approval of the specific commodity description contained therein for the purposes of tariff publication.

Persons entitled to petition the Board for review of this order, pursuant to the Board's regulations, 14 CFR 385.50, may file such petition within ten days after the date of the service of this order.

This order shall be effective and become the action of the Civil Aeronautics Board upon expiration of the above period unless within such period a petition for review thereof is filed, or the Board gives notice that it will review this order on its own motion.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 62-10784; Filed, Oct. 26, 1962; 8:47 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

COLORADO

Notice of Termination of Proposed Withdrawal and Reservation of Lands; Correction

OCTOBER 22, 1962.

F.R. Doc. 62-10095 appearing in the FEDERAL REGISTER for October 10, 1962, at page 9956, is hereby corrected to read as follows:

Sixth Principal Meridian, Colorado, T. 2 S., R. 75 W., Section 28, should read "Section 23: NW¼, W½SW¼";

Section 27 should read "E½" instead of "W½."

ANDREW J. SENTI,
Acting Chief, Division of Lands and Minerals.

[F.R. Doc. 62-10787; Filed, Oct. 26, 1962; 8:47 a.m.]

FEDERAL MARITIME COMMISSION

BULL-INSULAR LINE, INC., AND TURNER AND BLANCHARD, INC.

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 75 Stat. 763; 46 U.S.C. 814):

Agreement No. 8875, between Bull-Insular Line, Inc. (Bull), and Turner and Blanchard, Inc. (Company), pro-

vides for the preferential use of certain terminal facilities by Bull and vessels for which the Star Line Agency, Inc., acts as agents in Brooklyn, New York. Other cargo moving over the facilities shall be assessed the same wharfage as that assessed against Bull and Star Line Agency, Inc. Wharfage and demurrage in excess of $375,900 per year collected from all vessels will be divided on the basis of 75 percent to Carrier and 25 percent to Company. The Company will perform stevedoring services on all vessels owned by Bull or its subsidiaries using the facilities.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Domestic Regulation, Federal Maritime Commission, Washington, D.C., and may submit within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: October 24, 1962.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 62-10785; Filed, Oct. 26, 1962; 8:47 a.m.]

PORT OF SEATTLE AND ALASKA TERMINAL AND STEVEDORING CO.

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 75 Stat. 763; 46 U.S.C. 814):

Agreement No. 8905, between the Port of Seattle (Port) and Alaska Terminal and Stevedoring Company (Company), provides for a five (5) year and four (4) month lease of certain pier and terminal property in Seattle, Washington, to be operated in the conduct of a general steamship terminal stevedoring and related warehouse business and for the maintenance and repair of vessels of Alaska Steamship Company. In consideration therefore, the Company agrees to pay $4,456.25 per month for certain of the area, and 100 percent of all revenues from dockage, wharfage, and wharf demurrage, subject to a maximum annual rental of $150,000. The Company further guarantees the Port a minimum annual rental of $100,000. The Port reserves the right to order the berthing of other than Alaska Steamship Company vessels, provided such operations do not interfere with the rights of the Company.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Domestic Regulation, Federal Maritime Commission, Washington, D.C., and may submit within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: October 24, 1962.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 62-10786; Filed, Oct. 26, 1962; 8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket Nos. CP62-261, CP62-309]

COLORADO INTERSTATE GAS CO. AND KANSAS-COLORADO UTILITIES, INC.

Notice of Postponement of Hearing

OCTOBER 23, 1962.

Take notice that the hearing in the above-designated proceedings heretofore scheduled to commence on October 31, 1962, by notice issued September 25, 1962, is hereby postponed to a date to be fixed by further notice.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 62-10763; Filed, Oct. 26, 1962; 8:45 a.m.]

[Project No. 2320]

NIAGARA MOHAWK POWER CORP.

Notice of Application for License

OCTOBER 23, 1962.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by Niagara Mohawk Power Corporation (correspondence to: Lauman Martin, Vice President and General Counsel, Niagara Mohawk Power Corporation, 300 Erie Boulevard West, Syracuse 2, N.Y.) for license for constructed Project No. 2320, located on Raquette River, St. Lawrence County, N.Y.

The project, known as the Raquette River Project, consists of: Higley Development, located about 47 miles upstream from Raquette River's confluence with the St. Lawrence River, and consisting of a concrete gravity dam 34 feet high and about 207 feet long; a reservoir having an area of about 700 acres with normal pool elevation of 883.6 feet (USGS datum); an open concrete flume; and a reinforced concrete powerhouse containing three hydroelectric units with a total generating capacity of 4,480 kw; Colton Development, located just below the Higley Development, and consisting of a concrete gravity dam 27 feet high and 205 feet long; a reservoir having an area of 152 acres with a normal pool of 337 feet; a steel pipeline; a surge tank; steel penstocks; and a brick and structural steel powerhouse containing three hydroelectric units with a total generating capacity of 29,520 kw; Hannawa Development, located just below the Colton Development, and consisting of a stone and concrete gravity dam 40 feet high and 215 feet long; a reservoir having an area of 168 acres with a normal pool elevation of 552 feet; an open canal; steel penstocks; and a stone and structural steel powerhouse containing two hydroelectric units with a total generating capacity of 7,200 kw; and the Sugar Island Development, located just below the Hannawha Development, and consisting of a concrete gravity dam 37 feet high and 181 feet long; a reservoir having an area of 29 acres with normal pool elevation of 470 feet; a steel pipeline; a surge tank; steel penstocks; and a brick and structural steel powerhouse containing two hydroelectric units with a total generating capacity of 4,800 kw.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is December 3, 1962. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 62-10764; Filed, Oct. 26, 1962; 8:45 a.m.]

[Docket No. G-7637 etc.]

SOCONY MOBIL OIL CO., INC., ET AL.

Order Amending Orders Issuing Certificates of Public Convenience and Necessity, Accepting Notices of Succession and Redesignating FPC Gas Rate Filings, Substituting Respondent, Redesignating Rate Proceedings and Accepting Successors' Undertaking

OCTOBER 22, 1962.

In the matter of Socony Mobil Oil Company, Inc. (successor to Republic Natural Gas Company), Socony Mobil Oil Company, Inc., (Operator) (successor to Republic Natural Gas Company, et al.), Socony Mobil Oil Company, Inc. (Operator), et al (successor to Republic Natural Gas Company, (Operator), et al.), Docket No. G-7637, et al.

On December 13, 1961, Socony Mobil Oil Company, Inc. (Socony Mobil) filed (1) a motion to amend the orders listed in Appendix I hereto, which granted certificates of public convenience and necessity to Republic Natural Gas Company (Republic), by substituting Socony as certificate holder in lieu of Republic;[1] (2) notices of succession to the rate schedules of Republic, listed in Appendix II hereto together with their new designations; (3) a motion to be substituted as respondent in Republic's rate suspension proceedings listed in Appendix III

[1] The subject motion also requested substitution in certain pending certificate applications of Republic. Such substitution was recognized by letter dated March 12, 1962, which granted Socony Mobil temporary authorization to continue sales in such cases. Thus any final orders in such proceedings have recognized (CI62-362) or will recognize (G-18344, CI61-290, and CI61-659) Socony Mobil as certificate holder and no action thereon is being taken in this order.

hereto, together with an agreement and undertaking assuming total liability thereunder for all refunds which may be ordered in such proceedings; (4) motions to be substituted for Republic in the Area Rate Proceedings in Docket Nos. AR61–1 and AR61–2, and (5) a motion to be substituted for Republic in the proceeding in Docket No. RP61–12.

The above documents filed by Socony Mobil relate to its purchase of all of Republic's producing properties and assets. By letter of January 17, 1962, Socony Mobil advised the Commission that the transfer and assignment of Republic properties and assets to Socony Mobil took place on December 28, 1961.

Socony Mobil proposes that the succession filings be effective on December 28, 1961, the date of transfer of Republic's properties to Socony Mobil.

Socony Mobil's motion to be substituted as respondent in Republic's pending rate suspension proceedings includes the proceedings in Docket Nos. G–15858, G–16491, and G–16897 which relate to the invalidated Louisiana gathering tax. These proceedings have previously been terminated.[2] Accordingly, Socony Mobil's motion for substitution, insofar as it pertains to such dockets, is moot.

Additionally, Socony Mobil requests to be substituted as a party in lieu of Republic in the proceedings in Docket No. RP61–12. This proceeding concerns a complaint filed by Northern Natural Gas Company (Northern) to enjoin Republic from continuing to prosecute a litigation against Northern in a District Court of Kansas. In this litigation Republic alleges that Northern failed to comply with the terms of a gas purchase contract between Republic and Northern.

The Commission finds:

(1) It is in the public interest and appropriate in carrying out the provisions of the Natural Gas Act to amend the respective orders issuing certificates of public convenience and necessity to Republic Natural Gas Company listed in Appendix I attached hereto, to reflect Socony Mobil Oil Company, Inc., as the certificate holder in each of the docketed proceedings.

(2) The notices of succession filed by Socony Mobil should be accepted and the related FPC Gas Rate Schedules redesignated as shown on the table which is Appendix II to this order.

(3) Socony Mobil should be substituted in the pending rate proceedings listed in Appendix III to this order, said proceedings should be redesignated accordingly, and the undertaking submitted by Socony Mobil should be accepted for filing.

(4) Socony Mobil should be substituted as party in lieu of Republic in the proceeding in Docket No. RP61–12 and the proceeding should be redesignated accordingly.

(5) Socony Mobil should be substituted for Republic in the Area Rate Proceedings in Docket Nos. AR61–1 and AR61–2.

The Commission orders:

(A) The orders of the Commission listed in Appendix I hereto, which appendix is hereby made a part of this order, be and the same are hereby amended by substituting the name of Socony Mobil Oil Company, Inc., as holder of the certificates of public convenience and necessity thereunder in lieu of Republic Natural Gas Company.

(B) The notices of succession filed by Socony Mobil are hereby accepted and the related FPC Gas Rate Schedules are hereby redesignated as shown on the table which is Appendix II hereto, which appendix is hereby made a part of this order.

(C) Socony Mobil be and the same is hereby substituted as Respondent in lieu of Republic in the pending rate proceedings listed in Appendix III hereto, which appendix is hereby made a part of this order; said proceedings are hereby redesignated accordingly, and the undertaking submitted by Socony Mobil on December 13, 1961, to assume the duties and obligations under undertakings heretofore filed by Republic is accepted for filing in the proceedings listed in Appendix III.

(D) Socony Mobil is substituted for Republic in the proceeding in Docket No. RP61–12 and said proceeding is redesignated accordingly.

(E) Socony Mobil is hereby substituted for Republic in the Area Rate Proceedings in Docket Nos. AR61–1 and AR61–2.

(F) In all respects other than set out in paragraph (A) above, the orders of the Commission referred to therein and listed in Appendix I to this order shall remain in full force and effect.

By the Commission.

JOSEPH A. GUTRIDE,
Secretary.

APPENDIX I

Certificate Authorization Orders (as amended) to be amended by substituting the name of Socony Mobil Oil Company, Inc., as certificate holder:

Order issued April 24, 1956, In the Matters of William O. Ziebold, et al., Docket Nos. G–7629, et al., in Docket Nos. G–7635 through G–7644, G–7646, G–7647, G–7649, and G–7650.

Order issued October 24, 1956, In the Matters of Phillips Petroleum Company, et al., Docket Nos. G–2603, et al., in Docket No. G–7645.

Order issued April 30, 1956, In the Matters of Republic Natural Gas Company, et al., Docket Nos. G–7648, et al., in Docket No. G–7648.

Order issued May 21, 1956, In the Matters of Houston Natural Gas Production Company, et al., Docket Nos. G–8512, et al., in Docket No. G–8832.

Order issued June 3, 1957, In the Matters of Republic Natural Gas Company, et al., Docket Nos. G–9080, et al., in Docket No. G–9080.

Order issued June 26, 1959, In the Matters of Keener Oil Company, et al., Docket Nos. G–12575, et al., in Docket No. G–13207.

Order issued August 12, 1959, In the Matters of Republic Natural Gas Company, et al., Docket Nos. G–13335, et al., in Docket No. G–13335.

Order issued September 4, 1958 (Opinion No. 315), In the Matters of Transcontinental Gas Pipe Line Corporation, et al., Docket Nos. G–13143, et al., in Docket No. G–13642.[1]

Order issued August 12, 1959, In the Matters of Parker Petroleum Company, Inc. (Operator), et al., Docket Nos. G–13828, et al., in Docket No. G–13889.

Order issued November 17, 1959, In the Matters of Transcontinental Gas Pipe Line Corporation, et al., Docket Nos. G–16603, et al., in Docket No. G–16540.[1]

Order issued March 18, 1960, In the Matters of James D. Madole, et al., Docket Nos. G–10559, et al., in Docket No. G–17047.

Order issued September 18, 1959, In the Matters of Phillips Petroleum Company, et al., Docket Nos. G–17897, et al., in Docket No. G–18008.

Order issued June 27, 1961, In the Matters of W. E. Bakke, Agent for Bruce Walkup, et al., Docket Nos. G–11789, et al., in Docket No. CI61–18.

Order issued October 31, 1960, In the Matters of Paul F. Barnhart, et al., Docket Nos. G–13831, et al., in Docket No. CI60–252.

Order issued September 20, 1961, In the Matters of Tidewater Oil Company, et al., Docket Nos. G–14986, et al., in Docket No. CI61–1398.

APPENDIX II

Redesignation of FPC gas rate schedules.

Related certificate docket No.	Prior rate schedule designation: Republic Natural Gas Co. FPC Gas Rate Schedule No.	New rate schedule designation: Socony Mobil Oil Co., Inc., FPC Gas Rate Schedule No.
G–7637	[1] 1	[1] 275
G–7638	2	276
G–7636	3	277
G–7635	[1] 4	[1] 278
G–7639	5	279
G–7641	7	280
G–7642	[2] 8	[2] 281
G–7643	[2] 9	[2] 282
G–7645	[2] 11	[2] 283
G–7646	[2] 12	[2] 284
G–7649	[2] 14	[2] 285
G–7648	15	286
G–7650	[2] 16	[2] 287
G–8832	[2] 17	[2] 288
G–9080	18	289
G–13207	19	290
G–13335	20	291
G–13642	[1] 21	[1] 292
G–13889	22	293
G–16540	[2] 23	[2] 294
G–17047	[1] 24	[1] 295
G–7640	25	296
G–18008	26	297
CI61–18	27	298
G–7644	[2] 28	[2] 299
CI60–252	30	301
G–7647	[1] 32	[1] 303
CI61–1398	34	305

[1] (Operator), et al.
[2] Et al.

[1] By order issued March 7, 1962, in Docket Nos. G–13169, et al., the proceedings in Docket Nos. G–13642 and G–16540 were severed from those in Docket Nos. AR 61–2, et al., and were consolidated for the limited purpose of determining the public interest initial price or prices applicable thereto. By order issued June 30, 1962, in Docket Nos. G–13169, et al., the Commission approved proposed settlements and conditionally reissued Certificates of Public Convenience and Necessity in the proceedings in Docket Nos. G–13642 and G–16540.

[2] Commission order of March 5, 1962, in Docket Nos. G–15546, et al.

APPENDIX III

Pending rate proceedings to be amended by substituting Socony Mobil Oil Co., Inc., as respondent for Republic Natural Gas Co.[1]

Suspension docket No.	Republic Natural Gas Co.		Socony Mobil Co., Inc.	
	R.S. No.	Supp. No.	R.S. No.	Supp. No.
G-16857	[3] 1	4	[3] 275	4
G-18416	2	7	276	7
G-13311	7	4	280	4
RI60-10	7	5	280	5
G-15451	[2] 8	5	[2] 281	5
G-15451	[2] 9	7	[2] 282	7
G-13062	11	6 and 7	283	6 and 7
RI61-422	11	9 and 10	283	9 and 10
G-16896	[2] 12	10	[2] 284	10
G-20209	[2] 14	2	[2] 285	2
G-19153	[2] 18	2	[2] 289	2
G-19325	[2] 25	1	[2] 296	1
RI60-264	[2] 25	2	[2] 296	2

[1] Socony's motion to be substituted as respondent in the above-rate proceedings also included Docket Nos. G-15858, G-16491, and G-16897. However, these proceedings have been terminated.
[2] Et al.
[3] (Operator), et al.

[F.R. Doc. 62-10765; Filed, Oct. 26, 1962; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-4079]

METROPOLITAN EDISON CO.

Notice of Proposed Issuance and Sale of First Mortgage Bonds at Competitive Bidding

OCTOBER 23, 1962.

Notice is hereby given that Metropolitan Edison Company ("Meted"), 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pennsylvania, an electric utility subsidiary company of General Public Utilities Corporation, a registered holding company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating section 6(b) thereof as applicable to the proposed transaction. All interested persons are referred to the application, on file at the office of the Commission, for a statement of the transaction therein proposed which is summarized below.

Meted proposes to issue and sell, subject to the competitive bidding requirements of Rule 50 promulgated under the Act, $15,000,000 principal amount of First Mortgage Bonds, ____ percent Series due 1992. The interest rate of the new bonds (which will be a multiple of ⅛ of 1 percent) and the price, exclusive of accrued interest, to be paid to Meted (which will be not less than 100 percent nor more than 102¾ percent of the principal amount thereof) will be determined by the competitive bidding. The bonds will be issued under the Indenture dated as of November 1, 1944, between Meted and Morgan Guaranty Trust Company of New York (formerly Guaranty Trust Company of New York), Trustee, as heretofore supplemented and amended, and as to be further supplemented and amended by a Supplemental Indenture to be dated as of December 1, 1962.

Meted's 1962 construction program contemplates the expenditure of approximately $18,000,000 for property additions. Meted expects to finance its construction program with approximately $6,000,000 produced from operations and with approximately $12,000,000 of the proceeds from the sale of the new bonds, either by direct expenditures for such construction or by reimbursement of its treasury for expenditures therefrom for such purpose. The balance of the proceeds from the sale of the new bonds, or approximately $3,000,000, will be used to reimburse the company's treasury in part for construction expenditures prior to 1962. On reimbursement of its treasury, Meted will repay its short-term bank borrowings outstanding at the date of sale of the new bonds (which borrowings amounted to $7,500,000 at July 31, 1962). The premium, if any, received from the sale of the new bonds will be added to Meted's general funds and will be used for general corporate purposes, including the payment of the expenses of this financing.

Fees and expenses incident to the proposed transaction are estimated as follows:

Filing Fees—Securities and Exchange Commission	$1,545
Legal Fees:	
Ryan & Russell	10,000
Berlack, Israels & Liberman	7,500
Accounting Fees—Lybrand, Ross Bros. & Montgomery	4,500
Federal Original Issue Tax	16,500
Printing and engraving	27,500
Indenture Trustee charges	6,600
Miscellaneous	2,855
Total	77,000

The fees and disbursements of counsel for the underwriters, to be paid by the successful bidder, will be supplied by amendment.

The application states that the issuance and sale of the new bonds are subject to the jurisdiction of the Pennsylvania Public Utility Commission, the State commission of the State in which Meted is organized and doing business. It is further stated that no other State commission and no Federal commission, other than this commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than November 13, 1962, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon the applicant, and proof of service (by affidavit or, in case of an attorney-at-law, by certificate) should be filed contemporaneously with the request. At any time after said date, the application, as filed or as it may be amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption for such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 62-10769; Filed, Oct. 26, 1962; 8:46 a.m.]

SMALL BUSINESS ADMINISTRATION

APPLICATIONS FOR LOANS IN EXCESS OF $200,000

Notice of Necessity for Certificate as Defense-Oriented Small Business Concern; Cancellation

Notice is hereby given that this notice, dated December 1, 1961 (26 F.R. 12017, F.R. Doc. 61-11818), as corrected (26 F.R. 12098, F.R. Doc. 61-12015, dated December 15, 1961), is cancelled in its entirety without prejudice to any actions taken thereunder.

Effective date: October 15, 1962.

JOHN E. HORNE, *Administrator.*

[F.R. Doc. 62-10770; Filed, Oct. 26, 1962; 8:46 a.m.]

VETERANS ADMINISTRATION

STATEMENT OF ORGANIZATION

Miscellaneous Amendments

The Veterans Administration statement of organization (25 F.R. 5197 and 26 F.R. 5539) is amended to read as follows:

1. The introductory statement and Section 1 are amended in their entirety to read as follows:

Sec.
1. General.
2. Central Office.
3. Field stations.
4. Addresses of Veterans Administration installations and jurisdictional areas of insurance centers.

SECTION 1. *General*—(a) *Authority and functions.* (1) The Veterans Administration administers laws authorizing benefits for former members of the Armed Forces and for the dependents and other beneficiaries of deceased former members of such forces. The Veterans Administration benefits available under various acts of Congress include: Compensation for service-connected disability or death; pension for non-service-connected disability or death; dependency and indemnity compensation; vocational rehabilitation for service-connected disability; education and training; war orphans' educational assistance; guaranty or insurance of home, farm, and business loans, and, under cer-

tain conditions, direct home loans; United States Government and National Service Life Insurance; insurance indemnity; hospitalization; domiciliary care; outpatient medical and dental care for service-connected disability; prosthetic and other appliances; special housing for certain seriously disabled veterans; automobiles or other conveyances for certain disabled veterans; World War I adjusted service certificates, a guardianship program for the protection of estates derived from Veterans Administration benefits paid to incompetent or minor beneficiaries; burial allowances; and burial flags. In addition the Veterans Administration administers the insurance section of the Soldiers' and Sailors' Civil Relief Act for persons in the active military service.

(2) The Veterans Administration was established as an independent agency under the President by Executive Order 5398, of July 21, 1930, in accordance with the act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned in the administration of laws providing benefits for veterans.

(b) *General description of organization.* (1) The Veterans Administration is under the charge of the Administrator of Veterans Affairs, who is responsible for the administration of all laws governing the Veterans Administration.

(2) The Veterans Administration is organizationally divided as follows: (i) *The Central Office.* The central office of the Veterans Administration consists of the following staff offices and departments, the heads of which are directly responsible to the Administrator of Veterans Affairs for the proper performance of all the functions assigned to them:

STAFF OFFICES

Office of the Director, Information Service.
Office of the Controller.
Office of the General Counsel.
Office of the Assistant Administrator for Management Services.
Office of the Assistant Administrator for Appraisal.
Office of the Assistant Administrator for Construction.
Office of the Assistant Administrator for Personnel.
Office of the Manager, Administrative Services.

DEPARTMENTS

Department of Medicine and Surgery.
Department of Insurance.
Department of Veterans Benefits.

(ii) *The Field Stations.* This term applies to Veterans Administration installations located in the field, and includes the following:

Insurance center.
Regional offices.
Veterans Benefits Office (D.C.).
Hospitals.
Centers.
Outpatient clinics.
Domiciliaries.
VA offices.
Supply depots.
Forms and publications depot.
Data processing centers.

2. In section 2, paragraph (a) through (h) are amended to read as follows:

SEC. 2. *Central Office*—(a) *The Administrator.* The Administrator is responsible to the President for the administration of veterans' affairs and the laws which govern them. In him is vested the authority to operate Veterans Administration. He is directly responsible for the establishment of the basic policies governing agency operation; the development and maintenance of its basic organization structure; the interpretation of laws pertaining to veterans' affairs, and the establishment of supplementary regulations; the stimulation and approval of long-range plans; and the development and maintenance of favorable relations with important organizations, groups, and individuals interested in veterans' affairs. As head of an independent agency of the executive branch of the Government, the Administrator is the adviser to the President on veterans' affairs.

(a–1) *Executive Assistant to the Administrator.* The Executive Assistant presents to the Administrator matters requiring his personal attention. As directed by the Administrator, monitors special projects and assignments and insures that required action is controlled and coordinated. He discharges for the Administrator all matters of an administrative nature within the Administrator's office.

(b) *The Deputy Administrator.* The Deputy Administrator is the principal assistant to the Administrator in the overall administration of the Veterans Administration. He takes independent action for the Administrator on all problems affecting the Veterans Administration which do not require the Administrator's personal attention and acts for the Administrator in the latter's absence.

(c) *Associate Deputy Administrator.* (1) The Associate Deputy Administrator assists the Administrator and the Deputy Administrator in the overall administration of the Veterans Administration. He takes independent action for the Administrator on all problems affecting the Veterans Administration in the areas of office methods and administration, supply management, budget, construction, fiscal, personnel, management audits, and investigation and security, which do not require the personal attention of the Administrator or the Deputy Administrator.

(2) He acts for the Deputy Administrator in the latter's absence and for the Administrator in the absence of both the Administrator and the Deputy Administrator.

(3) The Assistant Administrator for Management Services, Appraisal, Construction, Personnel, the VA Controller, and the Manager, Administrative Services, report to the Administrator and the Deputy Administrator through the Associate Deputy Administrator.

(d) *Assistant Deputy Administrator.* The Assistant Deputy Administrator, as full assistant to the Administrator and the Deputy Administrator, participates in high-level policy discussions and contributes recommendations regarding solutions of problems and decisions to be made on all programs administered by Veterans Administration. As directed, he represents the Administrator with the Congress, other Federal agencies, and the Bureau of the Budget. He also acts for the Associate Deputy Administrator in the latter's absence and for the Deputy Administrator in the absence of both the Deputy Administrator and the Associate Deputy Administrator. The Assistant Deputy Administrator directs the activities of the Operations Evaluation Staff in the office of the Administrator. He makes independent recommendations to the Administrator as to areas which should receive priority in substantive research, recommends approval, disapproval or revision of plans submitted by the department heads and staff offices, recommends action to be taken to solve individual operating problems. He is the Administrator's top planning officer and director of substantive research.

(d–1) *Operations Evaluation Staff.* This staff, under a director responsible to the Assistant Deputy Administrator, acts as the point of contact for operating matters coming to the office of the Administrator. It is the responsibility of this staff to do for the Administrator, Deputy Administrator and Associate Deputy Administrator what they would do for themselves in their official capacity if they had the time. This staff represents the last line of review before an action is taken or a decision is made in the operations of the agency. The members of this staff:

(1) Represent the Administrator, Deputy Administrator and Associate Deputy Administrator in making inquiry into operating matters of interest.

(2) Evaluate proposals for changes in operating policies and recommend to the Administrator, Deputy Administrator, and Associate Deputy Administrator approval, disapproval, further study or other appropriate action.

(3) Coordinate proposals with departments and staff offices to assure their presentation for decision in the form desired.

(4) Follow up to assure that decisions once made are implemented.

(e) *Contract Appeals Board.* The Contract Appeals Board is an integral part of the Office of the Administrator. Under the chairman, this board, by delegation of authority from the Administrator, acts as his authorized representative:

(1) To ascertain the facts and circumstances attending appeals by contractors from decisions of Veterans Administration contracting officers under construction architect-engineer and supply conracts.

(2) To render final decisions on such appeals in accordance with contract provisions.

(f) *Administrator's Advisory Council.* The Administrator's Advisory Council under a chairman advises the Administrator on policies, plans, research programs, organization, and whether established programs are meeting their

objectives. The chairman of the Administrator's Advisory Council is assisted by a deputy chairman who is a member of the council and also director of planning. The council is concerned with such matters as how veterans compare with nonveterans, what are the handicaps and needs of veterans in various categories, what new programs are needed, and what changes to established programs should be made, the long-range impact of both existing and proposed programs upon sociological and economic welfare of the veteran population as a whole.

(g) *Board of Veterans Appeals.* (1) The Chairman: Pursuant to statute, has jurisdiction over and is responsible to the Administrator for the activities of the Board of Veterans Appeals in the consideration and determination of appeals for benefits under all laws administered by the Veterans Administration. In the course of appellate responsibility, identifies for the Administrator policies, practices and legislative provisions relating to veterans' benefits considered to be in need of study or modification.

(2) The Vice Chairman: (i) Serves as assistant to the Chairman in the discharge of his responsibilities, as directed, and acts for him in his absence, and in addition:

(ii) Responsible to the Chairman for direction of the professional activities and administration of Appellate Service I.

(iii) Formulates and recommends guidelines for the technical operation of the appellate program.

(iv) Identifies and makes recommendations to the Chairman on matters of policy and practice considered to be in need of study and/or corrective action.

(v) Responsible for development, implementation and supervision of a continuing professional training program designed to achieve optimum uniformity and quality of decisions.

(vi) Responsible for quality review program in Appellate Service I.

(h) *Staff offices*—(1) *Office of the General Counsel.* (i) The General Counsel: (*a*) Serves as chief officer of the Veterans Administration in all matters of law and legislation.

(*b*) As the chief law officer of the Veterans Administration, is responsible to the Administrator for the interpretation of all laws administered by or pertaining to the Veterans Administration, and for establishing precedents thereon through Administrator's decisions, binding upon all officers and employees of the Veterans Administration and upon all claimants and other persons concerned.

(*c*) Renders legal advice (formal and informal) and other legal services upon request to all department heads and top staff officers. Is the attorney for the Administrator in all civil actions in State courts and in independent actions in the Federal courts, and represents the Administrator in all actions in the Federal courts in cooperation with the Department of Justice, and keeps all interested Veterans Administration officials informed. Makes final disposition of tort claims within the limitations of the Federal Tort Claims Act, and renders cooperative assistance to the Department of Justice on all actions arising therefrom involving the Veterans Administration or any official thereof.

(*d*) Cooperates informally with all department heads and top staff officers in the formulation of governing regulations and amendments thereto and reviews for legal correctness all such regulations or directives.

(*e*) Serves as the point of contact with all governmental offices on legal and legislative matters, including, in addition to the Department of Justice, the Office of the Comptroller General, and the Judge Advocate General of the Armed Forces. Reports to the Department of Justice all matters arising in the Veterans Administration involving probable violation of Federal penal statutes and cooperates with the Department of Justice as requested in the disposition thereof.

(*f*) Is legal officer in security proceedings.

(*g*) Supervises and coordinates all matters pertaining to proposed legislation, Executive orders, and proclamations affecting the Veterans Administration, including the preparation of proposed legislation, Executive orders, and proclamations, and the preparation of all reports concerning such matters to committees of Congress, the President, the Bureau of the Budget, and other executive agencies.

(*h*) Develops and coordinates Veterans Administration policy pertaining to proposed legislation, Executive orders, and proclamations; and records such policy upon approval by the Administrator.

(*i*) Serves as a member of the Administrator's Policy Committee.

(*j*) Represents the Administrator in congressional committee and other hearings and in interdepartmental conferences on legislative matters.

(*k*) Receives and as directed by the Administrator disposes of all requests from congressional committees and subcommittees (other than appropriations) or their staffs, except oral requests for purely routine administrative data, and clears all letters and other communications to such committees initiated in the Veterans Administration.

(*l*) Collaborates and coordinates with the Controller legislative language in drafts of appropriation bills, amendments thereto, and related communications.

(*m*) Receives and as directed by the Administrator disposes of all requests on the Veterans Administration for preparation of drafts of bills or comment, formally or informally, on proposed legislation or to furnish information concerning pending legislation.

(*n*) Arranges for attendance of Veterans Administration personnel as witnesses or observers at meetings of congressional committees (other than appropriations). Receives and disposes of all requests for detail or assignment of personnel to work with congressional committees or their staffs.

(*o*) Prepares compilations of Federal laws pertaining to veterans, annotated, indexed, and cross-referenced, in accordance with 38 U.S.C. 215, or as otherwise authorized; and pamphlets, resumes, releases, and documents pertaining to veterans' legislation, as required.

(*p*) Maintains liaison with the Senate and House Committees and contact activities in both Houses of Congress.

(*q*) Maintains legislative historical records and service therefrom.

NOTE: By agreement with the Chief Benefits Director and in the interests of economy, the services of Chief Attorneys will be utilized by the General Counsel in connection with litigation, claims under the Federal Tort Claims Act, legal questions or services concerning Veterans Administration components other than the Department of Veterans Benefits, and other legal matters within the jurisdiction of the General Counsel. In connection with these matters, direct communication between the General Counsel and the respective Chief Attorney is authorized.

(ii) The Deputy General Counsel acts as full assistant to the General Counsel in the discharge of his responsibilities and acts for the General Counsel in the latter's absence.

(2) *Information Service.* The Director, Information Service: (i) Formulates and recommends to the Administrator basic policies governing Veterans Administration public information programs.

(ii) Counsels and advises the Administrator and other levels of management where public interest is involved in the determination of Veterans Administration policy.

(iii) Reviews and coordinates programs for informing the public of Veterans Administration's activities in areas of special interest to operating departments.

(iv) Keeps informed of and appraises for the Administrator the results of public information programs.

(v) Develops and maintains relationships with national information outlets and contacts.

(vi) Obtains, assembles, prepares, and coordinates information for release through press, radio, and other media to advise veterans and dependents on benefits administered by the Veterans Administration and to provide information concerning the offices where applications for benefits may be made.

(vii) Obtains, assembles, prepares, and coordinates information for release through press, radio, and other media concerning operations of the Veterans Administration.

(viii) Reviews for possible policy conflicts and renders technical advice on the preparation of speeches, articles, pamphlets, posters, transcriptions, films, and other material for public distribution.

(3) *Office of the Controller.* The Controller: (i) Formulates and recommends to the Administrator policies, plans and basic procedures for agency-wide application in the following controllership areas:

(*a*) Budgeting

(*b*) Financial management

(*c*) Reports management

(*d*) Research statistics

(ii) Provides advice and assistance to departments and staff offices in the application of approved controllership policies, plans and procedures in their ad-

ministrative and operational programs, including those for automatic data processing, and appraises for the Administrator the current and potential effectiveness and economy of these applications.

(iii) Reviews, evaluates and coordinates the Veterans Administration construction program.

(iv) Advises the Administrator on fiscal status, progress and problems currently existent or potentially imminent in and between Veterans Administration programs, and makes recommendations for needed adjustments in funding, policies, and existing operational financial plans, in keeping with over-all Veterans Administration objectives and funding availability.

(v) Maintains over-all agency financial accounts; controls the allocation, apportionment, and intra-agency transfer and adjustment of funds; and controls agency funding transactions with the Department of the Treasury, including the evaluation of antideficiency violations and the reporting actions required thereon to the President and to the Congress.

(vi) Formulates and recommends to the Administrator standards, policies and plans pertaining to the operation of the Veterans Administration integrated reporting system and the control of the creation of reports, including periodic review of data requirements. Provides for the consolidation and submission of consolidated, agency-wide, fiscal, funding and other resource reports, estimates, and requests, pertinent to the controllership activities of the department and staff offices as required by the Administrator, by other Governmental agencies, Congressional committees, Members of Congress, and other authorized individuals.

(vii) Collaborates with the General Counsel on the financial and budgetary aspects of proposed or pending legislation for Veterans Administration, and recommends to the Administrator legislation required to improve controllership functions.

(viii) Interprets for the Administrator and staff office heads, in fiscal terms, the laws and the regulatory measures of other Governmental bodies which have a direct bearing on Veterans Administration controllership activities.

(ix) Serves as the principal representative of the Veterans Administration with other Governmental agencies and offices and the Congress on controllership matters, and in the coordination of Veterans Administration controller activities and programs with all authorized external agencies.

(x) Provides for staff support in the methodology of statistical research, the conduct of and collaboration in statistical research studies of the effectiveness of substantive programs, and the development of official veteran population estimates and socio-economic data on veterans, their dependents and survivors for use in current and long-range program planning.

(4) *Office of the Assistant Administrator for Management Services.* The Assistant Administrator for Management Services: (i) Formulates and recommends to the Administrator general policies and plans of VA-wide application pertaining to the following activities: manpower utilization, purchasing and suply, data processing systems, electronic communications, paperwork management, work analysis and improvement, mechanization of operations, and civil defense and disaster relief.

(ii) Coordinates and directs functional surveys, special studies and research into programs, practices, and techniques relating to the above activities to evaluate their possible application within the Veterans Administration.

(iii) Advises and assists the Administrator, departments and staff offices in connection with these activities, and appraises their effectiveness and economy for the Administrator.

(iv) Serves as principal representative of the Veterans Administration with other organizations, public and private, on matters pertaining to the above activities.

(5) *Office of Assistant Administrator for Appraisal.* The Assistant Administrator for Appraisal: (i) Directs the conduct of investigations, surveys, inspections, and special studies authorized by the Administrator, Deputy Administrator, or Associate Deputy Administrator of Veterans Affairs.

(ii) Directs the conduct of internal audits of all activities and elements of Veterans Administration as a basis for protective and constructive service to management.

(iii) Directs the security program of the Veterans Administration. Designates sensitive positions and grants emergency interim security clearances authorized by the Administrator pending the completion of a full field investigation.

(iv) Advises and assists the Administrator on all matters involving:

(*a*) The establishment and continuation of appraisal programs agency-wide.

(*b*) The appraisal of all activities of Veterans Administration through internal audit or investigation.

(*c*) The operation of the security program VA-wide.

(v) Furnishes advice, guidance and assistance to department heads and top staff officials in connection with their appraisal program.

(vi) Submits appraisals for the use of the Administrator, Deputy Administrator, or Associate Deputy Administrator of Veterans Affairs; disseminates information from these reports to the heads of departments and other top officials; and maintains controls to assure that corrective action is accomplished by the responsible officials in accordance with instructions of the Administrator.

(vii) As Employment Policy Officer for the Veterans Administration represents and acts for the Administrator in all matters coming within the purview of Executive Order 10590.

(viii) Maintains liaison and acts in cooperation with the officials of other departments and agencies of the Government on these matters.

6. *Office of Assistant Administrator for Construction.* (i) The Assistant Administrator for Construction: (*a*) As Chief Engineer of the Veterans Administration, formulates and recommends to the Administrator general policies and plans of VA-wide application pertaining to the following activities:

(*1*) Design, construction, maintenance, and operation of buildings, structures, and utilities.

(2) Real property management, including acquisition, economical utilization protection, and disposal of real property and interests therein.

(3) Accident and fire prevention, fire protection, and station emergency planning.

(*b*) Advises and assists the staff and the heads of the departments in connection with these activities, and appraises for the Administrator the effectiveness and economy of these activities.

(*c*) Interprets administratively, for the Administrator and staff and the Chief Medical Director, the Chief Insurance Director, and the Chief Benefits Director, regulations, decisions, and directives of other governmental bodies concerned with these activities.

(*d*) Upon consultation with heads of operating departments concerned, develops and takes action to obtain necessary approvals of fiscal year construction programs to provide, convert, and preserve facilities (except operational maintenance and repair), meeting requirements of the operating departments, and consistent with current legislative and executive policy and Veterans Administration responsibility for preservation of real property assets.

(*e*) Formulates, for inclusion in the consolidated Veterans Administration budget, annual estimates for Veterans Administration construction programs, and participates, with the Controller and department heads concerned, in presentation of the budget for construction programs before the Bureau of the Budget and the Congress.

(*f*) Directs and controls design and construction of hospital, domiciliary, and other facilities, major alterations, improvements, and repairs (exclusive of operational maintenance and repair), in conformation with professional standards and operating requirements as defined in collaboration with the operating departments concerned, and within established program and appropriation limitations.

NOTE: In the interest of economy, station services will be made available to the Assistant Administrator for Construction in furtherance of construction operations under his direction. In accordance with approved policy and upon request by the Assistant Administrator, the Chief Medical Director or the Chief Benefits Director or the Chief Insurance Director may direct a station Director or Manager to provide administrative and/or supervisory services, as specified, and as authorized by the Assistant Administrator, in connection with construction projects to be accomplished, by contract or by purchase and hire, at or in the vicinity of the station. Such services will be provided under technical guidance of the Assistant Administrator for Construction, including required project reports to him or his designee, and project costs will be charged to indicated allotments or accounts under his control.

(*g*) Takes action for the Veterans Administration to acquire real property and property interests in fee, in accord-

ance with approved program requirements, and to dispose of such real property and interests where excess to the needs of the Veterans Administration (not including transactions within the veteran's Loan Guaranty program).

(h) Acts as duly authorized representative of the Administrator under provisions of contracts related to assigned activities except hearing and decision appeals from the decisions of Veterans Administration contracting officers. Provides counsel to represent the Government in appeals under supply contracts.

(ii) The Executive Assistant: (a) Assists the Assistant Administrator in the direction and planning of the Veterans Administration's construction program.

(b) Acts for the Assistant Administrator during his absence.

(c) Functions as an engineering consultant on special and critical areas of operations.

(d) Represents the Assistant Administrator by serving on technical boards and committees and in a liaison capacity with other Government agencies.

(7) *Office of the Assistant Administrator for Personnel.* The Assistant Administrator for Personnel: (i) Serves as the top Personnel Officer of the Veterans Administration.

(ii) Advises and assists the Administrator on all matters involving personnel administration and personnel management.

(iii) Plans, formulates, and recommends agencywide personnel policies, programs, concepts, and approaches.

(iv) Develops agencywide objectives which will enable the Veterans Administration to obtain, develop, and maintain a contented and effective work force.

(v) Furnishes advice, guidance, and assistance to department heads and other program officials in connection with these activities.

(vi) Provides agency leadership in the establishment of positive and aggressive programs including career development, management-employee relations, and awards activities.

(vii) Conducts and coordinates research leading towards more effective selection, utilization, and training of Veterans Administration personnel.

(viii) Serves as the principal representative of the Veterans Administration with the Civil Service Commission, employee organizations, and other groups on all matters relating to personnel management.

(8) *Office of the Manager, Administrative Services.* The Manager: (i) Responsible to the Associate Deputy Administrator for the provision of general administrative services, including:

(a) Fiscal services for Central Office.

(b) Data processing services to the departments and staff offices.

(c) Central Office mail and messenger services, claimant identification and locator file information, files maintenance systems for Central Office records, Central Office telecommunications, language translation, and records development and liaison.

(d) Centralized printing and reproduction program.

(e) Central Office supply services.

(f) VA-wide visual aids presentation program.

(g) Planning and direction of Central Office civil defense exercises and safety and fire protection programs.

(h) Building, equipment and space utilization improvements, maintenance and repairs in Central Office.

(ii) Formulates and recommends to the Associate Deputy Administrator policies relating to the above operations.

(iii) Conducts continuing evaluation and control of these operations to insure effective and economical operations.

(iv) Provides guidance and assistance to staff offices and departments in the above operations.

(v) Maintains liaison with General Services Administration, Joint Committee on Printing, other Government agencies, public utilities, and other public and private organizations to coordinate and improve service in these activities.

3. In section 2, paragraph (i) (1), subdivisions (i) and (iii) (a) are amended to read as follows:

(i) *Office of the Assistant Chief Medical Director for Professional Services.* (a) Formulates and recommends to the Chief Medical Director policies and plans of departmentwide application pertaining to professional services in hospitals, domiciliaries and clinics. Coordinates the activities of the professional services and collaborates with the Assistant Chief Medical Directors for Operations, Dentistry, and Research and Education in Medicine, to achieve unified planning.

(b) Develops and recommends to the Chief Medical Director standards governing the kinds and quality of staff, facilities, equipment and supplies needed for an integrated program of medical and domiciliary care. Studies and recommends the geographic distribution of beds, by type.

(c) Advises and assists the Assistant Chief Medical Director for Operations on professional matters related to the operation of hospitals, domiciliaries and clinics.

(d) Appraises for the Chief Medical Director the effectiveness of policies and plans pertaining to professional services, and the validity of professional standards.

(e) Collects and disseminates information of a purely professional, nondirective nature, dealing with clinical and scientific matters, to professional staffs of hospitals, domiciliaries and clinics, and area medical offices.

(f) Formulates and recommends policies, plans and objectives pertaining to administrative assistants to Chiefs of Staff, departmentwide.

(g) Formulates and recommends policies, plans and objectives for medical illustration activities, departmentwide.

(ii) *Office of the Assistant Chief Medical Director for Operations.* * * *

(iii) *Office of the Controller, Department of Medicine and Surgery.* (a) Formulates and recommends to the Chief Medical Director general policies, plans and standards, of departmentwide application, including those for the General Post Fund, pertaining to the following activities:

(1) Budgetary activities.
(2) Fiscal and cost accounting.
(3) Statistics.
(4) Fiscal auditing.
(5) Finance management.

* * * * *

4. In section 2, paragraph (i), subparagraph (2) is amended to read as follows:

(2) *Department of Veterans Benefits.* The Chief Benefits Director: Has jurisdiction over, directs, and is responsible to the Administrator for the conduct of the activities of the Department of Veterans Benefits. Insures the effective execution of an integrated program of veterans benefits consisting of compensation and pension, vocational rehabilitation and education, loan guaranty, guardianship, and contact activities of the Veterans Administration.

The Deputy Chief Benefits Director serves as the full assistant to the Chief Benefits Director in the discharge of his responsibilities, acts for him in his absence, and participates fully in the direction of all activities of the Department of Veterans Benefits. Is responsible to the Chief Benefits Director for the department's operations.

Each Area Field Director for assigned geographic area is responsible to the Deputy Chief Benefits Director for: Effective, efficient, and economical operation of the complete departmental program of benefits and services; continuing control and evaluation of field station management and operations; and providing assistance and guidance to field station Managers, or Center Directors.

The Evaluation Staff is responsible to the Chief Benefits Director for the following: Develops policies and plans for processing and utilization of all data relating to effectiveness of field station operations; develops policies and plans for audits, surveys and evaluation of field station operations and management; and Central Office, Department of Veterans Benefits activities; evaluates overall department effectiveness in applying management control, management reporting, measurement and evaluation techniques; plans audit and reporting requirements under ever-changing organizational realignments and electronic and mechanical processing; coordinates evaluation, reporting and inspection activities in the department; provides guidance and assistance to Central Office services in development of methods and standards for evaluation; evaluates department effectiveness in implementing Veterans Administration and department policies and plans for all standards; evaluates effectiveness of and necessity for department reports, surveys and inspections; audits and evaluates performance of Central Office, Department of Veterans Benefits staff and line elements; and performs special assignments as directed by the Chief Benefits Director.

(i) *Compensation and Pension Service.* The Director: (a) Formulates and recommends to the Chief Benefits Direc-

tor plans, regulations, procedures, and standards of departmentwide application within the limitations of VA-wide policies and plans pertaining to the following activities:

(1) Disability compensation and pension claims.

(2) The schedule for rating disabilities.

(3) Claims for automobiles or other conveyances.

(4) Special housing claims.

(5) Emergency officers' retirement claims and Reserve officers' retirement pay under laws administered by the Veterans Administration.

(6) Eligibility determinations for other services or Government agencies.

(7) Death compensation and pension claims.

(8) Claims for dependency and indemnity compensation.

(9) Claims for reimbursement for burial, funeral, and transportation expenses of deceased veterans.

(10) Claims for accrued compensation, pension, retirement pay, subsistance and training allowances, and readjustment allowances.

(11) Waivers of overpayments (except loan guaranty).

(12) Forfeiture of rights and benefits.

(13) Claims for Government insurance by beneficiaries of deceased veterans.

(14) Claims for servicemen's indemnity.

(15) Claims for adjusted compensation in death cases.

(b) Appraises for the Chief Benefits Director the effectiveness, efficiency, and economy of policies, regulations, procedures and standards in implementing public laws and attaining program objectives and the significant effect of the compensation and pension program nationally.

(c) Reviews proposed legislation and Executive orders to determine the specific effect upon the program and comments and recommends with respect thereto; also recommends changes to existing laws affecting compensation and pension benefits. Participates in congressional hearings on proposed legislation, when requested.

(d) Maintains liaison with agencies and organizations interested in compensation and pension.

(e) Develops long-range plans, policies, and objectives for the compensation and pension program.

(f) Renders staff coordination and technical assistance to insure that automatic data processing programs and procedures are consistent with compensation and pension program substantive and procedural requirements.

(g) In collaboration with Department of Veterans Benefits Controller, performs budgetary administrative functions relating to the compensation and pension program.

(ii) *Vocational Rehabilitation and Education Service.* The Director: (a) Formulates and recommends to the Chief Benefits Director policies, plans, procedures, and standards of departmentwide application within the limitations of VA-wide policies and plans pertaining to the following programs whereby the Veterans Administration effectuates the provisions of 38 U.S.C. chs. 31, 33, and 35 and section 12(a), Public Law 85–857 and other related directives relating to the vocational rehabilitation, education, and training of disabled and nondisabled veterans, and war orphans.

(1) A program for (*i*) the determination of eligibility for and extent of entitlement to education or training benefits and basic eligibility for vocational rehabilitation, (*ii*) the authorization of benefit payments to veterans and war orphans under those laws, and (*iii*) the application of the statutory provisions and limitations which govern the pursuit of courses or programs of education and training.

(2) A program for (*i*) securing from the appropriate agency of each State a list of approved education and training institutions, (*ii*) conducting business relationships with institutions to establish bases for payment of tuition fees and other allowable charges for the training of veterans, (*iii*) reimbursing States and local agencies for services rendered in connection with the inspection, approval, and supervision of establishments and institutions, maintaining cooperative relationships with such agencies, (*iv*) maintaining liaison between the various agencies of the Federal Government the services of which are used in connection with the education and training of veterans and war orphans under 38 U.S.C. chs. 33 and 35.

(3) A program for providing counseling services to veterans including (*i*) determining need for vocational rehabilitation to restore employability lost by reason of service-connected disability; determining feasibility of training or employment; and providing counseling services to assist disabled veterans in selecting suitable employment objectives; (*ii*) providing counseling services for eligible veterans who desire such services in connection with education and training and for those for whom counseling is required by Veterans Administration regulations; (*iii*) providing counseling services for eligible war orphans to assist in selecting and developing a program of education; (*iv*) the operation of Veterans Administration guidance centers in educational institutions or other establishments.

(4) A program for prescribing and providing for disabled veterans courses of vocational rehabilitation to restore employability lost by reason of service-incurred disabilities; preparing individual training programs to provide such courses including special courses to overcome the handicaps of severe disabilities; locating and negotiating agreements with suitable training facilities to furnish the training indicated by the individual training program; supervising disabled veterans throughout training; declaring disabled veterans rehabilitated when employability has been restored, referring the veteran to the appropriate State and/or Federal employment agency for assistance in obtaining employment and assisting in the placement of seriously disabled veterans in employment.

(5) A program to assure that the conditions under which veterans and war orphans pursued education or training are in accord with the provisions of the appropriate law.

(b) In accordance with specific delegation of authority, acts with respect to the following matters:

(1) Approval of educational institutions and training establishments under 38 U.S.C. ch. 31 and section 12(a), Public Law 85–857, and programs of education and training under 38 U.S.C. ch. 33, where approval by the Administrator is required under the law, including courses and programs given by educational institutions in foreign countries and courses of training given by agencies of the Federal government.

(2) Conflict of interest waivers under 38 U.S.C. 1664, and 38 U.S.C. 1764.

(3) Final administrative determination on requests for review of decisions of Regional Office Committees on Educational Allowances.

(4) Negotiation and execution of contracts or agreements with State agencies to reimburse such agencies for reasonable and necessary expenses of salaries and travel incurred by employees of such agencies in rendering necessary services in ascertaining the qualification of educational institutions and training establishments for furnishing courses of education and training to eligible veterans.

(c) Analyzes proposed legislation relating to the vocational rehabilitation of veterans or their dependents or survivors and prepares comments and recommendations for the Chief Benefits Director. Advises the Chief Benefits Director concerning the need for legislative revisions applicable to existing vocational rehabilitation and education benefits and the status of current legislative proposals.

(d) Renders staff coordination and technical assistance to insure that electrical accounting machine programs and procedures are consistent with Vocational Rehabilitation and Educational program procedural requirements, and provide the necessary operational data.

(e) Maintains cooperative working relations with national agencies, organizations, and associations which deal with or have a bearing on vocational rehabilitation and education of veterans and war orphans.

(f) Appraises for the Chief Benefits Director the effectiveness, efficiency and economy of policies, regulations, procedures, and standards in implementing public laws and attaining program objectives and the significant effect of the vocational rehabilitation and education program nationally.

(g) Cooperates with the Controller, Department of Veterans Benefits, in the preparation for publication of program analysis data pertaining to the Vocational Rehabilitation and Education program and in the conduct of research projects to:

(1) Provide a basis for evaluation of the results of the Vocational Rehabilitation and Education program in terms of its objective and the actual benefit accruing to veterans and war orphans as a result of training provided.

(2) Provide a basis for testing effectiveness of current practices, policies and

procedures in terms of vocational rehabilitation and education objectives.

(3) Provide sound basis for adjustments in current practices, policies and procedures.

(4) Provide the content of vocational rehabilitation and education status records and all reports of vocational rehabilitation and education activities (including performance, program status and other special recurring reports) required for program evaluation, planning, policy determination and other essential purposes.

(h) Develops budget information in coordination with the Department of Veterans Benefits Controller relating to the Vocational Rehabilitation and Education Division activities at field stations, including personnel and workload requirements as follows:

(1) Maintains detailed statistics on program workloads and manpower needs for each individual field station for budget purposes. Provides staff assistance in formulation of budgetary requirements for all field Vocational Rehabilitation and Education Divisions. When budget limitations are imposed by higher authority, recommends Vocational Rehabilitation and Education Division manpower adjustments to meet the overall current year limitations.

(2) Conducts analyses and evaluations of operating budget estimates submitted by the Department of Veterans Benefits Controller for the entire Vocational Rehabilitation and Education program in the field. Recommends changes in budget estimates, when so indicated, and notifies the Department of Veterans Benefits Controller.

(3) Performs such other budgetary duties for the program as may be required to assure the maintenance of quality and service to veterans and their dependents.

(iii) *Loan Guaranty Service.* The Director: (a) Formulates and recommends to the Chief Benefits Director, policies, plans, procedures and standards of department-wide application within the limitations of VA-wide policies and plans, pertaining to programs whereby Veterans Administration effectuates the provisions of Title III of the Servicemen's Readjustment Act of 1944, as amended, and other statutes and implementing Executive Orders and comparable directives relating to direct and indirect Government financial assistance for the purchase or construction of homes, and the acquisition, management, and operation of business and farming enterprises by veterans, and related activities consequent upon the default, sale, or other disposition of the veterans' contractual obligations and properties.

(b) Advises the Chief Benefits Director as to approved precedent interpretations of laws and regulations and the application of policies and procedures on loan guaranty programs, and prepares decisions in relation thereto for release through appropriate channels to industry groups, trade associations, and program participants as well as for Members of Congress and field officials of Veterans Administration.

(c) Directs a program of financial research to evaluate the effect of Government and private housing, lending, fiscal and underwriting policies and programs on loan guaranty activities, the adequacy of the interest rate on veterans' loans, the levels and capacity of the housing market, and the significance of proposed related legislation.

(d) Directs the continuous analysis and evaluation of economic data and trends affecting residential, business and farm financing, including availability of mortgage funds, residential construction, money market, interest rates, and factors bearing on the default and foreclosure rate on mortgage loans.

(e) Subject to established precedents (opinions of the Solicitor, General Counsel, etc.) furnishes legal advice to all elements of the Department pertaining to activities incident to or consequent upon the guaranty, insurance and making of loans.

(f) Directs action on all appeals received from lenders and builders suspended from the program; arranges and schedules hearings; reviews the transcripts thereof and the recommendations of hearing boards; and formulates appropriate action and recommends disposition.

(g) Reviews proposed legislation and Executive Orders pertaining to loan guaranty programs and recommends thereon. Recommends proposals for consideration of changes in existing laws relating to loan guaranty programs.

(h) Maintains top level liaison with other components of Federal Government and other organizations and associations interested in the loan guaranty program.

(i) Appraises for the Chief Benefits Director the effectiveness, efficiency, and economy of policies, regulations, procedures and standards in implementing Public Laws and attaining program objectives.

(iv) *Guardianship Service.* The Director: (a) Formulates and recommends to the Chief Benefits Director, policies, plans, procedures, and standards of department-wide application within the limitations of VA-wide policies and plans pertaining to the following activities:

(1) The Veterans Administration guardianship program under 38 U.S.C. 3202, an act to safeguard the estates of minors and incompetents entitled to benefits under acts administered by the Veterans Administration, including courts in which the Administrator of Veterans Affairs is represented by his duly authorized attorney.

(2) Field examination program, including field examinations in guardianship cases; compensation, pension, retirement, insurance, and indemnity cases; vocational rehabilitation and education cases, loan guaranty cases, and other matters.

(b) Furnishes legal advice and assistance to the Chief Benefits Director with respect to the application of the Federal and State laws, and Veterans Administration regulations and instructions pertaining to Guardianship and Field Examination activities.

(c) Advises the Chief Benefits Director on matters involving State legislation affecting the guardianship program and commitment of mentally ill veterans.

(d) Maintains liaison with agencies and organizations interested in these activities.

(e) Appraises for the Chief Benefits Director the effectiveness, efficiency, and economy of policies, plans, procedures, and standards in implementing public laws and attaining program objectives, and the significant effect thereof on the Guardianship activities nationally.

(f) Formulates and recommends to the Chief Benefits Director work-rate and quality performance standards and related work measurement reporting system for all activities of the Office of the Chief Attorney; conducts studies to assure continued validity of the standards and reliability of the work measurement system.

(v) *Administration and Data Processing Service.* The Director: (a) Formulates and recommends to the Chief Benefits Director policies, plans, procedures, and standards of department-wide application within the limitations of VA-wide policies and plans pertaining to the following activities:

(1) Correspondence improvement; publications control; forms and form letter control; work simplification; control and use of office machines and equipment including ADP (automatic data processing) equipment; records management; transportation of persons; telecommunications; preservation of essential records; real and personal property management; safety and fire protection; and regional office space management.

(2) Long-range plans; organization of the department and its field stations; quality standards and measurements; management control, measurement and evaluation techniques; and studies and research in management techniques and systems.

(3) Data processing including automatic, electronic, mechanical and manual systems; systems studies of potential application of ADP; development and coordination of the installation of ADP systems; selection of appropriate ADP equipment.

(4) Formulates plans and policies relating to the development and maintenance of procedural administrative issues; development of procedural admistrative issues related to the implementation and application of ADP; coordination of all new or revised systems and methods; and Machine Records Accounting activities.

(b) Responsible for the management and operations of the Data Processing Center, Hines, Illinois.

(c) Formulates and recommends to the Chief Benefits Director work-rate and quality performance standards and related work measurement systems for the field station activities for which the service is responsible; conducts periodic studies to assure continued validity of the standards and reliability of the work measurement system.

(d) Maintains liaison with Veterans Administration officials, other agencies,

and organizations on matters of mutual interest.

(e) Advises and assists the Chief Benefits Director in connection with the foregoing activities and appraises for him the effectiveness, efficiency and economy of policies, plans and procedures for these activities.

(vi) *The Controller—Department of Veterans Benefits.* The Controller: (a) Formulates, upon consultation where appropriate with staff officials, and recommends to the Chief Benefits Director policies, plans, and procedures within the limitations of VA-wide policies and plans pertaining to the following activities of the Department of Veterans Benefits:

(1) The budgetary programs.

(2) The accounting, budgetary, and fiscal systems.

(3) An integrated system of financial and statistical reporting.

(4) The department-wide establishment and maintenance of work measurement (work-rate) standards.

(5) Research activities.

(b) Appraises for the Chief Benefits Director the effectiveness, efficiency, and economy of policies, regulations, procedures, and standards in implementing public laws and attaining program objectives.

(c) Recommends to the Chief Benefits Director with respect to allotments to be made from funds under control of department and allots funds within overall approved budgetary programs of the department.

(d) Maintains department-wide accounting and budgetary control records.

(e) Is responsible for the development of cost consciousness on the part of all executives of the department and promotion of better management through a program of improved accounting.

(f) Formulates and recommends to the Chief Benefits Director work-rate and quality performance standards and related work measurement reporting systems for Finance activities; conducts periodic studies to assure continued validity of the standards and reliability of the work-measurement system.

(g) Serves as the principal point of contact with Office of the Controller (Veterans Administration) and, in conjunction with the latter, with the General Accounting Office, Bureau of the Budget, and other Government agencies on these activities.

(h) Directs the coordination of formal research activities for the Department of Veterans Benefits. Directs the planning, recommendation for, and conduct of, special research studies to develop, analyze and provide pertinent information to Veterans Administration officials for their use or their release to other governmental officials, the Congress or the general public concerning the appropriateness and impact of the benefits administered by the Department of Veterans Benefits.

(vii) *Personnel Service.* The Director: (a) Serves as technical advisor on personnel matters in the Department of Veterans Benefits and formulates and recommends to the Chief Benefits Director policies, plans, procedures, and standards of department-wide application within the limitations of VA-wide policies and plans pertaining to personnel management, including administration of the Incentive Awards program.

(b) Appraises for the Chief Benefits Director the effectiveness, efficiency, and economy of policies, plans, procedures, and standards in implementing public laws and attaining program objectives.

(c) Exercises technical personnel authorities within limitations imposed by current delegations and restrictions.

(d) Formulates and recommends to the Chief Benefits Director work-rate and quality performance standards and related work measurement reporting systems for personnel functions; conducts periodic studies to assure continued validity of the standards and reliability of the work measurement system.

(viii) *Contact and Foreign Affairs Service.* The Director: (a) Formulates and recommends to the Chief Benefits Director, policies, plans, procedures, and standards of department-wide application within the limitations of VA-wide policies and plans pertaining to the following activities:

(1) Providing information, advice, and assistance to veterans, their dependents and beneficiaries, their representatives, and others in preparing, developing, and presenting applications and claims under laws administered by the Veterans Administration.

(2) Establishing and the continuance, relocation, or inactivation of Veterans Administration offices and the provision of away-from-the-office contact service.

(3) Determining, in collaboration with officials of the Defense Establishment, centers or points under Armed Forces jurisdiction to which contact personnel should be assigned.

(4) Providing veterans' services in all foreign countries and in those U.S. possessions not having Veterans Administration regional office activity.

(5) Providing Veterans Administration services in the Isthmus of Panama and adjoining territories by personnel of the Office of the Director stationed at Balboa, Canal Zone.

(6) Administering the Grants to the Philippines program pursuant to 38 U.S.C. 631, and the negotiation of reciprocal agreements for veterans' services pursuant to 38 U.S.C. 109.

(7) Providing assistance on veterans' programs conducted by American embassies and legations.

(b) Advises and assists the Chief Benefits Director in connection with these activities and appraises for him the effectiveness, efficiency, and economy of the policies, plans, procedures, and standards in implementing public laws and attaining program objectives.

(c) Maintains liaison and consults with officials of all Veterans Administration departments on benefits and related matters bearing upon Contact and Foreign Affairs activities and coordinates matters relating to the administration of the Manila regional office.

(d) Provides information, advice, and assistance to veterans, their dependents and beneficiaries, their representatives, and others who contact the Central Office concerning benefits provided by laws and regulations administered by the Veterans Administration.

(e) Formulates and recommends to the Chief Benefits Director, work-rate and quality performance standards and related work measurement reporting systems for Contact activities; conducts studies to assure continued validity of the standards and reliability of the work measurement systems.

5. In section 2, paragraph (i), subparagraph (3) is amended to read as follows:

(3) *Department of Insurance.* The Chief Insurance Director has jurisdiction over, directs, and is responsible to the Administrator for the management, operation, organization, and conduct of the nationwide Veterans Administration insurance program; directs the development and execution of the department-wide policies and plans covering all functions of the integrated insurance programs; appraises the effectiveness and economy of all activities under the jurisdiction of the department.

The Deputy Chief Insurance Director serves as the full assistant to the Chief Insurance Director in the discharge of his responsibilities, acts for him in his absence, and participates fully in the direction of all activities of the Department of Insurance; serves as Chairman of the Policy Board, Department of Insurance.

The Chief, Evaluation Staff develops and conducts for the Chief Insurance Director a continuing program of surveys of the internal management of the department and all aspects of the field station operations and management for which the department is responsible; evaluates the effectiveness and economy of operations of the field and Central Office on the basis of visits, management audit reports, etc.; as a result of these studies, develops and follows up on reports and recommendations to the Chief Insurance Director; performs special assignments for the Chief Insurance Director; and conducts inspections of improper or unethical conduct of employees of the Department of Insurance; serves as a member of the Policy Board, Department of Insurance.

(i) *Underwriting and Insurance Claims Service.* The Director: (a) Formulates and recommends to the Chief Insurance Director policies and plans of department-wide application within the limitations of VA-wide policies and plans pertaining to underwriting, insurance correspondence, insurance claims and insurance accounting.

(b) Advises the Chief Insurance Director and other staff officials in connection with the above functions and appraises the technical and operational effectiveness of these activities; also field operations dealing with mail, indexing, insurance folders and records, including record location or transfer.

(c) Serves as a member of the Policy Board, Department of Insurance.

(d) Reviews evidence, makes determinations of fact, develops evidence, prepares recommendations and makes decisions dealing with protest or unusually

complicated cases involving insurance claims, accounts and underwriting. Directs Administrative Review Board activities.

(e) Responsible for the department's security program relating to department-wide civil defense planning, including relocation plans and maintenance of emergency key personnel rosters.

(ii) *Chief Actuary.* The Chief Actuary: (a) Formulates and recommends to the Chief Insurance Director policies and plans of department-wide application within the limitation of VA-wide policies and plans pertaining to insurance actuarial activities.

(b) Serves as a member of the Policy Board, Department of Insurance.

(c) Conducts mortality and disability studies and analyses of experience, establishes and calculates policy rates and values, determines surplus and apportionment of dividends, and compiles actuarial statements.

(d) Determines the status of the United States Government Life Insurance Fund, the National Service Life Insurance Fund, the Service Disabled Veterans' Insurance Fund, and the Veterans' Special Term Insurance Fund.

(e) Performs special studies relating to actuarial matters as requested by the Chief or Deputy Chief Insurance Director.

(f) Works with Actuarial Advisory Committee in developing solutions to technical actuarial problems.

(g) Responsible for carrying out the provisions of title IV of the Soldiers' and Sailors' Civil Relief Act of 1940, in guaranteeing premium payments to insurance companies on private life insurance policies carried by servicemen in active service; this includes approving or disapproving applications, maintaining policy records and authorizing payments.

(iii) *Controller, Department of Insurance.* The Controller: (a) Formulates and recommends to the Chief Insurance Director policies and plans of department-wide application within the limitation of VA-wide policies and plans pertaining to the following activities of the Department of Insurance.

(1) The budgetary and work measurement programs.

(2) The accounting, funding, and fiscal systems.

(3) An integrated system of financial and management reporting.

(4) A continuing program of fiscal audit.

(b) Advises the Chief Insurance Director and other staff officials in connection with the above functions and appraises the technical effectiveness of these activities.

(c) Serves as a member of the Policy Board, Department of Insurance.

(d) Recommends with respect to budget formulation and the control of departmental funds within overall approved budgetary programs.

(e) Participates in the justification of the budget estimates of the Department of Insurance before the Bureau of the Budget representatives and congressional committees.

(iv) *Management Services.* The Director: (a) Formulates and recommends to the Chief Insurance Director policies and plans of department-wide application within the limitation of VA-wide policies and plans pertaining to the following activities: The development of new or revised methods and systems including the exploration and application of mechanical and electronic techniques; the development of procedural manuals, issues, and guides; the conduct of research into commercial and other management practices for possible adaptation to the insurance program; correspondence management; office operations and administration; work simplification; office machines management; records management; publications and forms management; real and personal property management; safety and fire protection; and supply liaison.

(b) Advises the Chief Insurance Director and other staff officials in connection with the above functions and appraises the technical effectiveness of these activities.

(c) Serves as a member of the Policy Board, Department of Insurance.

(d) Works with the several staff elements in the technical development of new or revised methods and procedures.

(e) Serves as liaison with the service departments on insurance program matters.

(v) *Personnel Service.* The Director: (a) Formulates and recommends to the Chief Insurance Director policies and plans of department-wide application within the limitation of VA-wide policies and plans pertaining to all personnel management activities such as: Position classification, recruitment, placement, management development training, employees relations, incentive awards, and personnel research.

(b) Advises the Chief Insurance Director and other staff officials in connection with the above functions and appraises the technical effectiveness of these activities.

(c) Serves as a member of the Policy Board, Department of Insurance.

6. In section 3, paragraphs (e) and (i) are amended to read as follows:

(e) *Center.* A Veterans Administration center is an organizational element consisting of a combination of activities of two or more of the following Veterans Administration field stations under jurisdiction of one manager or director: insurance center, regional office, hospital, or domiciliary.

* * * * *

(i) *Other field installations.* In addition to the installations referred to in the above paragraphs, there are 3 supply depots, 2 data processing centers, and a forms and publications depot.

[SEAL] W. J. DRIVER,
Deputy Administrator.

[F.R. Doc. 62-10778; Filed, Oct. 26, 1962; 8:47 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

CERTIFICATES AUTHORIZING THE EMPLOYMENT OF FULL-TIME STUDENTS WORKING OUTSIDE OF SCHOOL HOURS IN RETAIL OR SERVICE ESTABLISHMENTS AT SPECIAL MINIMUM WAGES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 *et seq.*), the regulations on employment of full-time students (29 CFR Part 519), and Administrative Order No. 561 (27 F.R. 4001), the establishments listed in this notice have been issued special certificates authorizing the employment of full-time students working outside of school hours at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the Act. The effective and expiration dates, type of establishment and total number of employees of the establishment are as indicated below. Pursuant to § 519.6(b) of the regulation, the minimum certificate rates are not less than 85 percent of the minimum applicable under section 6 of the Fair Labor Standards Act.

The following certificates were issued pursuant to 29 CFR 519.6 (c) and (g) providing for an allowance not to exceed the proportion of the total number of hours worked by full-time students at rates below $1.00 an hour to the total number of hours worked by all employees in the establishment during the base period, or 10 percent, whichever is lesser, in occupations of the same general classes in which the establishment employed full-time students at wages below $1.00 an hour in the base period.

Region II

Lamston-Hackensack Corp., 341 Main Street, Hackensack, N.J.; effective 10-1-62 to 9-30-63 (variety store; 47 employees).

Region IV

Kuhn's 5-10-25¢ Store, 306 South First Avenue East, Cullman, Ala.; effective 10-3-62 to 10-2-63 (variety store; 23 employees).

Richbourg's Shoppers Fair, Inc., 1400 East River Street, Anderson, S.C.; effective 10-4-62 to 10-3-63 (food store; 88 employees).

Region V

Nelsner Bros., Inc., No. 12, 332 Broadway, Lorain, Ohio; effective 10-5-62 to 9-30-63 (variety store; 21 employees).

Nelsner Bros., Inc., No. 18, 241 West Western Avenue, Muskegon, Mich.; effective 10-1-62 to 9-30-63 (variety store; 22 employees).

Region VI

Oshkosh Kline Co., Oshkosh, Wis.; effective 10-4-62 to 10-3-63 (apparel store; 21 employees).

Region VIII

Grayson's Shops, Inc. of Texas, No. 448, 324 East Houston Street, San Antonio, Tex.; effective 10-3-62 to 10-2-63 (apparel store; 57 employees).

Region X

Kuhn's 5–10–25¢ Store, 124 Franklin Street, Clarksville, Tenn.; effective 9–28–62 to 9–27–63 (variety store; 27 employees).

Kuhn's 5–10–25¢ Store, 129 North Main Street, Dickson, Tenn.; effective 9–28–62 to 9–27–63 (variety store; 24 employees).

Kuhn's 5–10–25¢ Store, 4816 Charlotte Avenue, Nashville, Tenn.; effective 9–28–62 to 9–27–63 (variety store; 33 employees).

Kuhn's 5–10–25¢ Store, East Lincoln Street, Tullahoma, Tenn.; effective 9–28–62 to 9–27–63 (variety store; 18 employees).

Kuhn's 5–10–25¢ Store, Front Street Public Square, Winchester, Tenn.; effective 9–28–62 to 9–27–63 (variety store; 31 employees).

North Carolina

Peebles-Kimbrell Co., 123 South Main Street, Roxboro, N.C.; effective 10–5–62 to 10–4–63 (department store; 18 employees).

The following certificates were issued to establishments coming into existence after May 1, 1960, under paragraphs (c), (d), (g), and (h) of § 519.6 of 29 CFR Part 519. The certificates permit the employment of full-time students at rates below $1.00 an hour in the classes of occupations listed, and provide for limitations on the percentage of full-time student hours of employment at rates below $1.00 an hour to total hours of employment of all employees. The percentage limitations vary from month to month between the minimum and maximum figures indicated.

Colonial Stores, Inc., No. 4101, No. 2 Pittman Plaza Shopping Center, Lynchburg, Va.; effective 11–6–62 to 4–24–63; checking, stocking, grocery clerk, meat clerk, produce clerk, counter man; between 0.8 percent and 4.9 percent (food store; 58 employees).

Geiger Leipold Grocery Co., 1110 East Main Street, Streator, Ill.; effective 11–5–62 to 5–27–63; checker, carryout boy, stock clerk; 10 percent each month (food store; 13 employees).

Geiger Leipold Grocery Co., 500 State Street, Ottawa, Ill.; effective 11–5–62 to 5–27–63; checker, carryout boy, stock clerk; 10 percent each month (food store; 11 employees).

H. E. B. Food Store, No. 18, Kostorys and Collihar, Corpus Christi, Tex.; effective 10–3–62 to 10–2–63; package boy, bottle boy, sack boy; 10 percent each month (food store; 42 employees).

Jupiter 1135 Market Street, Wheeling, W. Va.; effective 10–3–62 to 10–2–63; sales clerk; between 6.4 percent and 10 percent (variety store; 16 employees).

S. S. Kresge Co., No. 720, 3209 West Colonial Drive, Orlando, Fla.; effective 10–5–62 to 10–4–63; sales clerk; between 5 percent and 10 percent (variety store; 27 employees).

S. S. Kresge Co., Bangor Shopping Center, 625 Broadway, Bangor, Maine; effective 10–5–62 to 10–4–63; sales clerk; 10 percent each month (variety store; 33 employees).

S. S. Kresge, Nilner Center, 6397 Camp Bowie Boulevard, Fort Worth, Tex.; effective 10–5–62 to 10–4–63; sales clerk; between 4.9 percent and 10 percent (variety store; 19 employees).

Millner-Aycock's, Monroe, Ga.; effective 10–8–62 to 10–7–63; sales clerk, cashier; between 1.3 percent and 10 percent (department store; 16 employees).

J. J. Newberry Co., 24 North Broadway, Billings, Mont.; effective 10–30–62 to 3–25–63; sales clerk, marker, stock clerk, janitor; between 0 percent and 2.5 percent (variety store; 17 employees).

Richbourg Bros. Markets, Inc., 1622 North Main Street, Anderson, S.C.; effective 10–8–62 to 10–7–63; bag boy; 10 percent each month (food store; 22 employees).

F. W. Woolworth Co., No. 30 Cache Road Square, 38th and Cache Road, Lawton, Okla., effective 10–1–62 to 9–30–63; stock clerk, sales clerk; between 5.6 percent and 10 percent (variety store; 26 employees).

Each certificate has been issued upon the representations of the employer which, among other things, were that employment of full-time students at special minimum rates is necessary to prevent curtailment of opportunities for employment, and the hiring of full-time students at special minimum rates will not tend to displace full-time employees. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 519.9.

Signed at Washington, D.C., this 19th day of October 1962.

ROBERT G. GRONEWALD,
Authorized Representative of the Administrator.

[F.R. Doc. 62–10716; Filed, Oct. 25, 1962; 8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

OCTOBER 24, 1962.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 38004: *Commodity rates—Sea-land service.* Filed by Sea-Land Service, Inc. (No. 39), for itself and interested carriers. Rates on automobile glass, metal rolling mill machinery and parts, petroleum products and zinc or zinc alloy plate, sheet or strip, noi, loaded in highway trailers transported by motor carriers over the highways and loaded in containerships to move via water, from points in Pennsylvania also Buffalo, N.Y., N.Y., to points in California.

Grounds for relief: Rail competition.

Tariff: Supplement 7 to Sea-Land Service, Inc., tariff I.C.C. 14.

FSA No. 38005: *Salt from points in Michigan and Ohio.* Filed by Traffic Executive Association-Eastern Railroads, Agent (E.R. No. 2638), for interested rail carriers. Rates on salt or rock salt, in packages, in bulk, in carloads, from specified points in Michigan and Ohio, to Quincy and East St. Louis, Ill., also St. Louis, Mo.

Grounds for relief: Market competition.

Tariff: Supplement 105 to Traffic Executive Association-Eastern Railroads tariff I.C.C. 4198 (Hinsch series).

By the Commission.

[SEAL] HAROLD D. McCOY,
Secretary.

[F.R. Doc. 62–10776; Filed, Oct. 26, 1962; 8:46 a.m.]

FOURTH SECTION APPLICATION FOR RELIEF

OCTOBER 23, 1962.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 38003: *Lumber articles from southwestern territory.* Filed by Southwestern Freight Bureau, Agent (No. B–8286), for interested rail carriers. Rates on poles, piling, posts, crossarms, paving blocks, ties, mine ties and sections, railroad crossing, in carloads, from points in southwestern territory, to Milwaukee and Monroe, Wis., and points grouped therewith.

Grounds for relief: Market competition.

Tariff: Supplement 135 to Southwestern Freight Bureau tariff I.C.C. 4262.

By the Commission.

[SEAL] HAROLD D. McCOY,
Secretary.

[F.R. Doc. 62–10732; Filed, Oct. 25, 1962; 8:49 a.m.]

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